

IN THE ~~DISTRICT~~/SUPERIOR COURT FOR THE STATE OF ALASKA
AT ANCHORAGE

BAXTER SENIOR LIVING, LLC,
an Alaska limited liability company,
Plaintiff(s),

vs.

ZURICH AMERICAN INSURANCE
COMPANY, an Illinois corporation,
Defendant(s).

CASE NO. 3AN- 22-4417CI

**SUMMONS AND
NOTICE TO BOTH PARTIES
OF JUDICIAL ASSIGNMENT**

To Defendant: Zurich American Insurance Company

You are hereby summoned and required to file with the court a written answer to the complaint which accompanies this summons. Your answer must be filed with the court at 825 W. 4th Ave., Anchorage, Alaska 99501 within 20 days* after the day you receive this summons. In addition, a copy of your answer must be sent to the plaintiff's attorney or plaintiff (if unrepresented) William M. Bankston and Suzanne A. Adler, whose address is: 1127 West 7th Avenue, Suite 200, Anchorage, Alaska 99501

If you fail to file your answer within the required time, a default judgment may be entered against you for the relief demanded in the complaint.

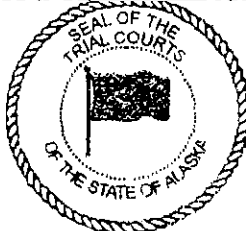
If you are not represented by an attorney, you must inform the court and all other parties in this case, in writing, of your current mailing address and any future changes to your mailing address and telephone number. You may use court form *Notice of Change of Address / Telephone Number* (TF-955), available at the clerk's office or on the court system's website at <https://public.courts.alaska.gov/web/forms/docs/tf-955.pdf> to inform the court. - OR - If you have an attorney, the attorney must comply with Alaska R. Civ. P. 5(i).

NOTICE OF JUDICIAL ASSIGNMENT

TO: Plaintiff and Defendant

You are hereby given notice that:

- ☒ This case has been assigned to Superior Court Judge Walker and to a magistrate judge.
- ☐ This case has been assigned to District Court Judge _____.



CLERK OF COURT

2/2/2022
Date

By: Adrian Felt
Deputy Clerk

I certify that on 2/2/22, a copy of this Summons was ☐ mailed ☒ given to
☐ plaintiff ☒ plaintiff's counsel along with a copy of the
☐ Domestic Relations Procedural Order ☐ Civil Pre-Trial Order
to serve on the defendant with the summons.
Deputy Clerk AL

* The State or a state officer or agency named as a defendant has 40 days to file its answer. If you have been served with this summons outside the United States, you also have 40 days to file your answer.

CIV-100 ANCH (10/17)(cs)
SUMMONS

Civil Rules 4, 5, 12, 42(c), 55

William M. Bankston
Suzanne A. Adler
Bankston Gronning Brecht P.C.
1127 West 7th Avenue, Suite 200
Anchorage, Alaska 99501
Telephone: (907) 276-1711
Email: wbankston@bgbalaska.com
Email: sadler@bgbalaska.com
Attorneys for Plaintiff

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
THIRD JUDICIAL DISTRICT AT ANCHORAGE

BAXTER SENIOR LIVING, LLC,)	
an Alaska limited liability company,)	
)	
Plaintiff,)	
v.)	
)	
ZURICH AMERICAN INSURANCE COMPANY,)	
an Illinois corporation,)	
)	
Defendant.)	Case No. 3AN-22-_____ CI

COMPLAINT AND JURY DEMAND

Plaintiff Baxter Senior Living, LLC (hereinafter "Plaintiff" or "Baxter"), by and through the undersigned counsel, brings this Complaint and Jury Demand against Zurich American Insurance Company (hereinafter "Defendant" or "Zurich") and alleges as follows:

JURISDICTION, VENUE, AND PARTIES

1. This Court has subject matter jurisdiction over this action pursuant to AS 22.10.010 *et seq.* as this case raises a dispute between the parties where the amount claimed by Plaintiff exceeds \$100,000 and implicates the Court's general jurisdiction.

2. This Court has personal jurisdiction over Defendant as Defendant has engaged in continuous and systemic business activities within this State. Defendant has intentionally conducted business with Plaintiff in this State and this action arises from those contacts. As such, Defendant is subject to the general or specific personal jurisdiction of this Court.

COMPLAINT AND JURY DEMAND
Baxter Senior Living, LLC v. Zurich American Insurance Co., Case No. 3AN-22-_____ CI

Page 1 of 20

3. Venue is proper in this Court pursuant to Alaska Rule of Civil Procedure 3 because a substantial number of events giving rise to Plaintiff's claims arose in this judicial district and Defendant may be served in this judicial district.

4. Baxter is an Alaska limited liability company with its principal place of business located at 2903 Doris Place, Anchorage, Alaska 99517.

5. Zurich is a corporation or company organized and existing under the laws of the State of Illinois with its principal place of business located at 1299 Zurich Way, Schaumburg, Illinois 60196. Defendant may be served with process through the Alaska Division of Insurance by mailing this Complaint, certified mail, return receipt requested, to Director of Insurance, P.O. Box 110805, Juneau, Alaska 99811-0805.

FACTUAL ALLEGATIONS

6. This Complaint presents straightforward claims for breach of an insurance contract between Baxter and Zurich. Zurich's refusal to honor the terms of the insurance contract it issued to Baxter also constitutes tortious behavior and violates the Alaska Unfair Trade Practices and Consumer Protection Act.

7. Baxter opened a senior living facility in Anchorage in 2019. At all times relevant to the claims contained within this lawsuit, Baxter owned this senior living facility, although the facility has since been sold to Sabra Health Care Holdings, LLC. During the relevant time period, Baxter retained Paradigm Senior Living (hereinafter "Paradigm") to manage its senior living facility.

8. In connection with operating its senior living facility, Baxter obtained a Property Portfolio Protection insurance policy from Zurich issued under policy number PRA 9551494-00. **Exhibit 1**, Property Portfolio Protection Policy No. 9551494-00 (hereinafter the "PPP Policy").

9. To obtain this policy, Baxter worked through Zurich's agent, Marsh & McLennan Agency, LLC, located in Anchorage, Alaska.

10. The PPP Policy was effective as of September 1, 2019.

COMPLAINT AND JURY DEMAND

Baxter Senior Living, LLC v. Zurich American Insurance Co., Case No. 3AN-22-_____ CI

Page 2 of 20

11. Unfortunately, a few months after Baxter opened its senior living facility and obtained its PPP Policy, the COVID-19 pandemic caused a lockdown on assisted living facilities in Alaska. Despite strong pre-leasing of the facility, the building was under 60% occupancy and unable to turn a profit as this required approximately 85% occupancy.

12. Baxter was unable to allow for tours of the facility, which drove down occupancy, and residents of the building were forced to undergo reduced access to friends and family in order to reduce spread of the dangerous COVID-19 virus.

13. During this time period, Baxter was subject to various public health orders that affected its ability to fully use the property and caused business losses including, but not limited to, the State of Alaska's March 12, 2020 directive which required Baxter to:

- a. Cancel large gatherings;
- b. Alter its schedule to reduce mixing (at lunch, dinner and the like);
- c. Daily, upon arrival, conduct temperature and respiratory symptom screening of attendees and staff;
- d. Require staff to wear masks and wash hands thoroughly before entering and after exiting of rooms with inhabitants;
- e. Limit programs with external staff;
- f. Consider suspension of new admissions to facilities;
- g. Implement short-term closures as needed;
- h. Implement longer-term closures or quarantines of the facility until any situations were resolved;
- i. Suspend visitor access but arrange for alternate means for family members to communicate; and
- j. Allow for limited access for end-of-life family visits.

Exhibit 2, State's COVID-19 CDC Information Email dated March 12, 2020.

14. The State's March 12, 2020 directive was expressly enacted to "protect individuals who are at risk for severe illness including persons of any age with underlying health conditions, particularly among elderly adults . . . [t]his **includes the residents of all assisted living homes.**" *Id.* (emphasis added).

COMPLAINT AND JURY DEMAND

Baxter Senior Living, LLC v. Zurich American Insurance Co., Case No. 3AN-22-_____ CI

Page 3 of 20

15. Baxter's operations were further limited by the State of Alaska's August 24, 2020 directive on Congregate Residential Settings which observed: "There is no question that RCFs [residential care facilities] have been impacted by COVID-19 due to the vulnerable nature of the RCF home population—combined with the inherent risks of congregate living in a health care setting—which requires aggressive efforts to limit COVID-19 exposure and to prevent the spread of COVID-19 within these facilities." **Exhibit 3**, COVID-19 Recommended Guidance for Congregate Residential Settings dated August 24, 2020.

16. Karl Drucks, Regional Director for Paradigm, responsible for supervising the management of Baxter's senior living facility during the relevant time period, has testified: (a) the vast majority, if not all, of Baxter's residents are at significant risk of severe complications from COVID-19; (b) that the State's March 12, 2020 directive was not viewed as "a suggestion," but rather, a set of requirements; (c) that Baxter recognized at the time that it had a duty to act diligently to protect its facility and mitigate damages for purposes of insurance coverage or lawsuits that could arise; and (d) that as a result, Baxter was forced to suspend new admissions, suspend guests' ability to visit the facility, and instituted strict social distancing and hygiene protocols for all residents and staff. **Exhibit 4**, Affidavit of Karl Drucks, at 1-3, ¶¶ 1-11.

17. During this time, Baxter also faced shortages in obtaining personal protective equipment and was forced to incur additional costs for safety measures such as purchasing thermal temperature scanners. *Id.*, at 4, ¶ 20.

18. By November 13, 2020, Baxter had experienced 44 positive COVID-19 cases, affecting 26 residents and 18 staff. *Id.*, at 5, ¶ 25.

19. Jonie Suzuki, one of Baxter's Senior Living Advisors during the relevant time period, testified: (a) that most potential residents first toured the property, paid a deposit, then moved in within a few days to a month after paying the deposit, (b) a variety of potential residents that had paid deposits either delayed their move-ins or cancelled altogether; and (c) that these delays or cancellations caused Baxter a loss of business income. **Exhibit 5**, Affidavit of Jonie Suzuki, at 1-3, ¶¶ 1-12.

COMPLAINT AND JURY DEMAND

Baxter Senior Living, LLC v. Zurich American Insurance Co., Case No. 3AN-22-_____ CI

Page 4 of 20

20. Ms. Suzuki also testified that the State's COVID-19 requirements caused Baxter to limit in-person visitation of residents which had a similar negative effect on Baxter's business income. *Id.*, at 4-6, ¶¶ 19-25; *see also* **Exhibit 6**, Affidavit of Karla Cen, a Senior Living Advisor for Baxter during the relevant time period, describing Baxter's loss of business income and inability to fully use its facility due to COVID-19 and the State's various public health orders.

21. While navigating the COVID-19 pandemic, along with the State's various public health orders, which was difficult, time-consuming, and costly, Baxter was under the impression that the PPP Policy issued by Zurich was designed to provide coverage for such a situation. As such, Baxter submitted a claim to Zurich under the PPP Policy.

22. On September 28, 2020, Zurich denied this claim stating, "we have concluded that the Policy does not provide coverage for the loss of revenue and extra expenses incurred by Baxter Senior Living, LLC." While it is not altogether clear why Zurich denied Baxter's claim, through reading its denial letter, it is possible to discern that Zurich denied Baxter's claim, in part, because "the presence of the COVID-19 virus does not constitute 'direct physical loss or damage to property'"

23. Baxter is not the only company to have been harmed by the COVID-19 pandemic. Other companies have filed claims under policies similar to the PPP Policy at issue in this lawsuit, and the question of whether business losses stemming from the pandemic were caused by "direct physical loss or damage" such that they are covered by an applicable insurance policy has been litigated.

24. On February 22, 2021, United States District Court Judge Edmond Chang for the Northern District of Illinois issued an order denying an insurance company's motions to dismiss and for summary judgment in a case with facts analogous to this lawsuit. *Valley Lodge Corp. v. Society Ins.*, 521 F. Supp. 3d 729, 732 (N.D. Ill. 2021) ("Society's [the insurance company] motions to dismiss and summary judgment motions are denied to the extent that they target the claims for business-interruption coverage.").

25. In *Valley Lodge Corp.*, the "fundamental questions at stake . . . [were] how to properly classify the interruption that has happened . . . and whether the particular

COMPLAINT AND JURY DEMAND
Baxter Senior Living, LLC v. Zurich American Insurance Co., Case No. 3AN-22-_____ CI

interruption [was] covered under the policy.” *Id.* Certain plaintiffs in *Valley Lodge Corp.* also alleged that their damages were not just caused from “following state and local government orders and guidance,” but also “as a direct result of the actual presence of the coronavirus itself on the premises.” *Id.*

26. In determining whether the plaintiffs’ insurance policy provided coverage for these types of losses, Judge Chang first observed that the “key text setting forth the business-interruption coverage requires that the loss in business be caused by ‘direct physical loss’ of covered property” *Id.* at 738. Judge Chang held that “a reasonable jury could find . . . that the novel coronavirus and the resulting pandemic proximately caused the business interruptions.” *Id.* at 740.

27. Having resolved the issue of the causation standard to be applied to such a claim, Judge Chang was still required to answer the question of “whether the [p]laintiff’s loss [was] ‘physical’ in nature—whether it [was] caused by the coronavirus itself, the coronavirus pandemic, or government shutdown orders.” *Id.* at 741.

28. First, Judge Chang rejected the insurer’s arguments that “the coronavirus could not constitute direct physical loss of or damage to the covered property because the virus does not cause a tangible change to the physical characteristics of the property.” *Id.* The court held: “It would be one thing if coverage were limited to direct physical damage . . . [b]ut coverage extends to direct physical ‘loss of’ property as well . . . [s]o the [p]laintiffs need not plead or show a change to the property’s physical characteristics.” *Id.*

29. Second, Judge Chang held that a jury could also find that plaintiffs suffered a direct physical loss, even if they could use part of their premises, because the “pandemic-caused shutdown orders do impose a *physical* limit: the restaurants are limited from using much of their physical space.” *Id.* at 742. Thus, the “[insurer’s] motion for summary judgment [was] denied as to the policy’s business-interruption coverage.” *Id.* at 743.

30. Baxter’s PPP Policy is comprised of various Coverages and Endorsements. **Ex. 1** at 21-32 (comprising the Declarations and Policy Limits). Baxter asserts the following Coverages or Endorsements provide coverage for its pandemic-related losses described herein:

COMPLAINT AND JURY DEMAND

Baxter Senior Living, LLC v. Zurich American Insurance Co., Case No. 3AN-22-_____ CI

Page 6 of 20

Exhibit A
Page 7 of 270

- a. Property Coverage for Microorganisms with a policy limit of \$25,000;
- b. Business Income Coverage with a policy limit of \$2,000,000;
- c. Civil Authority Coverage (Business Income) for 30 days' worth of lost income;
- d. Microorganisms Coverage (Business Income) with a policy limit of \$25,000;
- e. Extra Expense Coverage with a policy limit of \$25,000;
- f. Civil Authority Coverage (Extra Expense) with a policy limit of \$25,000; and
- g. Communicable Disease Suspension of Operations Coverage (Business Income) with a policy limit of \$100,000.

31. Baxter has suffered and continues to suffer significant damages due to Zurich's failure to provide coverage for its losses that are expressly covered under the PPP Policy. After Zurich's denial of Baxter's claim, Baxter attempted to persuade Zurich to reconsider its denial, to no avail.

32. Baxter had a reasonable expectation of coverage in the PPP Policy. Baxter reasonably anticipated that its insurer, Zurich, would provide coverage for its losses, which are covered by the PPP Policy. Instead of providing monetary relief for Baxter's covered losses, Zurich instead denied Baxter's claims and then amended the PPP Policy to remove the provision of the PPP Policy which Baxter believes plainly covers its losses.

33. Baxter first became aware of Zurich's requirement to provide coverage for its losses related to the COVID-19 pandemic in July 2020. On or about July 16, 2020, Zurich mailed a copy of its Notice of Conditioned Renewal to Marsh & McClellan Agency, LLC, which also represents Baxter. The Notice of Conditioned Renewal is attached hereto as **Exhibit 7**.

34. The Notice of Conditioned Renewal provides, "You are hereby notified in accordance with the terms and conditions of the above mentioned policy. . . the Property Healthcare Industry Coverage Form (PPP-0409) will be changed as follows: The form will

be removed effective on the date shown on this notice.” The effective date of the notice is listed as September 15, 2020.

35. The “Property Healthcare Industry Coverage Form,” includes the following coverage information:

Communicable Disease Suspension of Operations - Business Income
If the BUSINESS INCOME COVERAGE FORM (EXCLUDING EXTRA EXPENSE) or BUSINESS INCOME COVERAGE FORM INCLUDING RESEARCH AND DEVELOPMENT CONTINUING EXPENSES (EXCLUDING EXTRA EXPENSE)--TECHNOLOGY is included in this Commercial Property Coverage Part, the coverage provided at a ‘premises’ or ‘reported unscheduled premises’ will also cover the actual loss of ‘business income’ you sustain due to an order of an authorized public health official or governmental authority that prevents access to that ‘premises’ or ‘reported unscheduled premises’, or a portion of that ‘premises’ or ‘reported unscheduled premises’, because of the discovery or suspicion of a communicable disease or threat of the spread of a communicable disease at that “premises” or ‘reported unscheduled premises’.

Coverage provided applies only to the actual loss of ‘business income’ you sustain, which begins 24 hours after you receive notice of closing by the authorized public health official or governmental authority, until the public health official or governmental authority authorizes you to reopen, or 90 days, whichever is earlier.

The most we will pay under this Additional Coverage at any one ‘premises’ or ‘reported unscheduled premises’ is the Limit of Insurance shown on the Declarations for Communicable Disease Suspension of Operations—Business Income.

This Limit for this Additional Coverage is included in, and not in addition to, any other applicable Limits of Insurance.

36. In practice, the Notice of Conditioned Renewal removes coverage for Communicable Disease Suspension of Operations - Business Income. The policy limit for such claims is \$100,000.

37. Zurich has denied Baxter’s claim for coverage based on various provisions of the PPP Policy. Baxter made a claim under the Communicable Disease Suspension of Operations-Business Income portion of Zurich’s Policy. This claim is also included in this

COMPLAINT AND JURY DEMAND

Baxter Senior Living, LLC v. Zurich American Insurance Co., Case No. 3AN-22-_____ CI

Page 8 of 20

Exhibit A
Page 9 of 270

lawsuit, below in Count VII.

38. Zurich has denied that the Policy, or PPP, provides any coverage for Baxter's suspension of operation caused by COVID-19, which is unquestionably a communicable disease. Upon information and belief, Zurich was, or should be, aware that Baxter's losses are covered under the PPP Policy, specifically the Communicable Disease Suspension of Operations. Upon information and belief, Zurich's removal of this provision of the PPP Policy, in September 2020, was a bad faith attempt to limit coverage for Baxter's damages, and for other entities that are similarly situated to Baxter.

39. It was Zurich's attempt to remove the coverage for the \$100,000 for suspension of business operations caused by COVID-19, which alerted Baxter to the coverage provided by this policy provision. Zurich then denied Baxter's claim under this provision of the PPP Policy, and then extinguished coverage for this covered loss. Such conduct indicates Zurich's apparent knowledge that Baxter's claims, as well as those made by other similarly situated claims, are covered by the Healthcare Industry Coverage Form. Zurich has never provided a basis for its decision to remove the Healthcare Industry Coverage Form in September 2020, despite the fact that Zurich claims that the Healthcare Industry Coverage Form does not cover any portion of Baxter's claims.

40. Through this lawsuit, Baxter is entitled to declaratory relief stating the limits of coverage it is due under the PPP Policy, as well as all damages suffered from Zurich's breach of its insurance contract. Baxter is also entitled to its actual, compensatory, and punitive damages suffered from Zurich's tortious denial of its claim; and treble damages for Zurich's violation of the Alaska Unfair Trade Practices and Consumer Protection Act. Baxter seeks payment for its attorneys' fees and costs as provided under any applicable statute or court rule.

COUNT I

Breach of Contract

Property Coverage for Microorganisms

Policy Limit: \$25,000

41. Baxter incorporates all prior allegations as if stated herein.

COMPLAINT AND JURY DEMAND

Baxter Senior Living, LLC v. Zurich American Insurance Co., Case No. 3AN-22-_____ CI

Page 9 of 20

42. The PPP Policy issued by Zurich contains coverage for “direct physical loss of or damage to Covered Property caused by microorganisms” **Ex. 1** at 77, ¶ 14.

43. Microorganisms are specifically defined by the PPP Policy to include “virus[es],” **Ex. 1** at 50, and COVID-19 is undisputedly a virus.

44. Because of the presence of COVID-19 at Baxter’s senior living facility, the State’s various directives and orders relating to the COVID-19 pandemic, and the need to keep residents and staff safe from infection, Baxter suffered physical loss, *i.e.*, loss of use of its property.

45. Moreover, pursuant to Alaska law and the PPP Policy, a “loss may be caused by chain of losses.” Zurich may not deny coverage on the basis that a secondary cause in the chain of causes leading to Baxter’s loss is not a “covered cause of loss.”

46. The PPP Policy provides coverage for Baxter’s loss of use of its property due to microorganisms, and Zurich’s refusal to pay Baxter’s claim for the same constitutes a breach of the insurance contract between Baxter and Zurich.

47. Baxter seeks all damages that flow from this breach, including payment of its attorneys’ fees and costs incurred in seeking the same.

COUNT II

Breach of Contract

Business Income Coverage

Policy Limit: \$2,000,000

48. Baxter incorporates all prior allegations as if stated herein.

49. The PPP Policy issued by Zurich contains coverage for “actual loss of ‘business income’ you sustain due to the necessary ‘suspension’ of your operations during the ‘period of restoration.’” **Ex. 1** at 127.

50. Suspension is specifically defined by the PPP Policy to include a “slowdown or cessation of your business activities” or “[t]hat part or all of the covered location that is rendered untenable.” **Ex. 1** at 60, ¶ 80.

51. The period of restoration is specifically defined by the PPP Policy as beginning when “[t]he direct physical loss or damage that causes ‘suspension’ or your ‘operations’

COMPLAINT AND JURY DEMAND

Baxter Senior Living, LLC v. Zurich American Insurance Co., Case No. 3AN-22-_____ CI

Page 10 of 20

occurs.” Ex. 1 at 53, ¶ 55. The period of restoration ends when “the location where the loss occurred could have been physically capable or resuming the level of ‘operations’ which existed prior to the loss” *Id.*

52. Because of the presence of COVID-19 at Baxter’s senior living facility, the State’s various directives and orders relating to the COVID-19 pandemic, and the need to keep residents and staff safe from infection, Baxter suffered loss of business income while it was unable to operate fully and without being able to offer all amenities and access to residents.

53. Moreover, pursuant to Alaska law and the PPP Policy, a “loss may be caused by chain of losses.” Zurich may not deny coverage on the basis that a secondary cause in the chain of causes leading to Baxter’s loss is not a “covered cause of loss.”

54. Prior to the outbreak of the COVID-19 pandemic, Baxter was largely meeting its projected residency status on a monthly basis. Prior to construction, Baxter obtained five market studies, all of which included information about Baxter’s projected residency information.

55. As is readily apparent, there is a large concern from potential residents that they will be isolated and “warehoused,” if they are moved into an assisted living facility. Understandably, the inability of friends and family to visit, and the unavailability of senior programming compound the concerns for potential residents.

56. Furthermore, friends and family members of potential residents frequently express concern about the care of future residents, as unfortunately, residents of other assisted living facilities have previously experienced neglect. Family and friends of potential residents believe that their ability to visit residents makes cases of abuse and neglect less likely, and such visits raise the spirits of the residents.

57. With the outbreak of the COVID-19 pandemic, Baxter was required to restrict visitors’ access to the facility to mitigate the spread of COVID-19 within the facility. Similarly, in the event that a resident tested positive, the remaining residents were restricted to their rooms, with meals delivered, in order to prevent the spread of COVID-19 within the facility.

COMPLAINT AND JURY DEMAND

Baxter Senior Living, LLC v. Zurich American Insurance Co., Case No. 3AN-22-_____ CI

Page 11 of 20

58. In addition, prospective residents were not able to tour open units, due to Baxter's COVID-19 restrictions, which affected a potential resident's ability to move into the facility. Like viewing a home or an apartment, a virtual tour is no substitute to the ability to tour an individual's living space, especially in light of the increased isolation experienced by Baxter's residents as a result of the COVID-19 pandemic.

59. In addition, prior to the advent of the COVID-19 pandemic, Baxter was able to arrange for transfer of prospective residents from medical facilities in Anchorage to Baxter's facility directly. After the emergence of COVID-19, Baxter need to institute testing and quarantine requirements, such that prospective residents, who wanted to become residents within Baxter, were sometimes unable to transfer directly to the facility, despite the fact that Baxter had available beds within its facility at the time.

60. Furthermore, Baxter's residency population is aging, and many residents suffer from significant health issues which impact their ability to provide adequate care for themselves. In light of such, residents from Baxter did pass away during the COVID-19 pandemic, and prospective residents were unable to fill the vacancy created by the deceased resident, which resulted in a further loss of income to Baxter.

61. In light of COVID-19, and Baxter's required mitigation policy, Baxter's ability to lease available units to prospective residents was significantly impacted, which resulted in a loss of income to Baxter that totals into the hundreds of thousands, if not millions, of dollars.

62. The PPP Policy provides coverage for Baxter's loss of use of its business income and Zurich's refusal to pay Baxter's claim for the same constitutes a breach of the insurance contract between Baxter and Zurich.

63. Baxter seeks all damages that flow from this breach, including payment of its attorneys' fees and costs incurred in seeking the same.

COUNT III

Breach of Contract

Civil Authority Coverage (Business Income)

Policy Limit: 30 days of lost income

COMPLAINT AND JURY DEMAND

Baxter Senior Living, LLC v. Zurich American Insurance Co., Case No. 3AN-22-_____ CI

Page 12 of 20

64. Baxter incorporates all prior allegations as if stated herein.

65. The PPP Policy issued by Zurich contains coverage for “actual loss of ‘business income’ you sustain for up to the number of days shown on the Declarations for Civil Authority resulting from the necessary ‘suspension’ . . . of your ‘operations’ if the ‘suspension’ or delay is caused by the order of civil authority that prohibits access to the ‘premises’ . . .” **Ex. 1** at 127, ¶ 1.

66. Suspension is specifically defined by the PPP Policy to include a “slowdown or cessation of your business activities” or “[t]hat part or all of the covered location that is rendered untenable.” **Ex. 1** at 60, ¶ 80.

67. Because of the presence of COVID-19 at Baxter’s senior living facility, the State’s various directives and orders relating to the COVID-19 pandemic, and the need to keep residents and staff safe from infection, Baxter suffered loss of business income while it was unable to operate fully and without being able to offer all amenities and access to residents.

68. Directives from the State during the relevant time period prohibited access to Baxter’s senior living facility for various lengths of time such that prospective residents were unable to tour the property and the families of current residents were unable to visit the facility.

69. This prohibition on access to Baxter’s senior living facility caused Baxter to suffer a loss of business income.

70. Moreover, pursuant to Alaska law and the PPP Policy, a “loss may be caused by chain of losses.” Zurich may not deny coverage on the basis that a secondary cause in the chain of causes leading to Baxter’s loss is not a “covered cause of loss.”

71. The PPP Policy provides coverage for Baxter’s loss of use of its business income and Zurich’s refusal to pay Baxter’s claim for the same constitutes a breach of the insurance contract between Baxter and Zurich.

72. Baxter seeks all damages that flow from this breach, including payment of its attorneys’ fees and costs incurred in seeking the same.

COMPLAINT AND JURY DEMAND

Baxter Senior Living, LLC v. Zurich American Insurance Co., Case No. 3AN-22-_____ CI

Page 13 of 20

COUNT IV
Breach of Contract
Microorganisms Coverage (Business Income)
Policy Limit: \$25,000

73. Baxter incorporates all prior allegations as if stated herein.

74. The PPP Policy issued by Zurich contains coverage for “actual loss of ‘business income’ you sustain due to the necessary ‘suspension’ of your ‘operations’ from direct physical loss of or damage to Covered Property caused by ‘microorganisms’ when the ‘microorganisms’ are the result of a ‘covered cause of loss.’” **Ex. 1** at 128-29, ¶ 8.

75. Suspension is specifically defined by the PPP Policy to include a “slowdown or cessation of your business activities” or “[t]hat part or all of the covered location that is rendered untenable.” **Ex. 1** at 60, ¶ 80.

76. Microorganisms are specifically defined by the PPP Policy to include “virus[es],” **Ex. 1** at 50, and COVID-19 is undisputedly a virus.

77. A covered cause of loss is simply defined as a “fortuitous cause or event” which “actually occurs during this policy period” that is “not otherwise excluded.” **Ex. 1** at 45, ¶ 14.

78. Nowhere in the PPP Policy is COVID-19 described as excluded nor does the PPP Policy exclude events caused by a global viral pandemic.

79. Because of the presence of COVID-19 at Baxter’s senior living facility, the State’s various directives and orders relating to the COVID-19 pandemic, and the need to keep residents and staff safe from infection, Baxter suffered loss of business income while it was unable to operate fully and without being able to offer all amenities and access to residents.

80. Directives from the State during the relevant time period prohibited access to Baxter’s senior living facility for various lengths of time such that prospective residents were unable to tour the property and the families of current residents were unable to visit the facility.

81. This prohibition on access to Baxter’s senior living facility caused Baxter to suffer a loss of business income.

COMPLAINT AND JURY DEMAND

Baxter Senior Living, LLC v. Zurich American Insurance Co., Case No. 3AN-22-_____ CI

Page 14 of 20

82. Moreover, pursuant to Alaska law and the PPP Policy, a “loss may be caused by chain of losses.” Zurich may not deny coverage on the basis that a secondary cause in the chain of causes leading to Baxter’s loss is not a “covered cause of loss.”

83. The PPP Policy provides coverage for Baxter’s loss of use of its business income and Zurich’s refusal to pay Baxter’s claim for the same constitutes a breach of the insurance contract between Baxter and Zurich.

84. Baxter seeks all damages that flow from this breach, including payment of its attorneys’ fees and costs incurred in seeking the same.

COUNT V

**Breach of Contract
Extra Expense Coverage
Policy Limit: \$25,000**

85. Baxter incorporates all prior allegations as if stated herein.

86. The PPP Policy issued by Zurich contains coverage for “the actual and necessary ‘extra expense’ you incur due to direct physical loss of or damage to property at a ‘premises’ . . . [t]he loss or damage must be directly caused by a ‘covered cause of loss.’” **Ex. 1** at 136.

87. Extra expense is defined by the PPP Policy as “operating expenses you incur during the ‘period of restoration’ that would not have been necessary to incur if there had been no direct physical loss” **Ex. 1** at 48, ¶ 24.

88. A covered cause of loss is simply defined as a “fortuitous cause or event” which “actually occurs during this policy period” that is “not otherwise excluded.” **Ex. 1** at 45, ¶ 14.

89. Nowhere in the PPP Policy is COVID-19 described as excluded nor does the PPP Policy exclude events caused by a global viral pandemic.

90. Because of the presence of COVID-19 at Baxter’s senior living facility, the State’s various directives and orders relating to the COVID-19 pandemic, and the need to keep residents and staff safe from infection, Baxter suffered extra expenses while it was unable to operate fully and without being able to offer all amenities and access to residents.

COMPLAINT AND JURY DEMAND

Baxter Senior Living, LLC v. Zurich American Insurance Co., Case No. 3AN-22-_____ CI

Page 15 of 20

Exhibit A
Page 16 of 270

91. These extra expenses included obtaining personal protective equipment and the imposition of safety measures such as purchasing thermal temperature scanners.

92. Moreover, pursuant to Alaska law and the PPP Policy, a “loss may be caused by chain of losses.” Zurich may not deny coverage on the basis that a secondary cause in the chain of causes leading to Baxter’s loss is not a “covered cause of loss.”

93. The PPP Policy provides coverage for Baxter’s extra expenses and Zurich’s refusal to pay Baxter’s claim for the same constitutes a breach of the insurance contract between Baxter and Zurich.

94. Baxter seeks all damages that flow from this breach, including payment of its attorneys’ fees and costs incurred in seeking the same.

COUNT VI
Breach of Contract
Civil Authority Coverage (Extra Expense)
Policy Limit: \$25,000

95. Baxter incorporates all prior allegations as if stated herein.

96. The PPP Policy issued by Zurich contains coverage for “the actual and necessary ‘extra expense’ you incur for up to the number of days shown on the Declarations for Civil Authority when an order of civil authority prohibits access to the ‘premises’ . . . [t]hat order must result from a civil authority’s response to direct physical loss of or damage to property located within one mile from the ‘premises’” **Ex. 1** at 136, ¶ 1.

97. Extra expense is defined by the PPP Policy as “operating expenses you incur during the ‘period of restoration’ that would not have been necessary to incur if there had been no direct physical loss” **Ex. 1** at 48, ¶ 24.

98. Nowhere in the PPP Policy is COVID-19 described as excluded nor does the PPP Policy exclude events caused by a global viral pandemic.

99. Because of the presence of COVID-19 at Baxter’s senior living facility, the State’s various directives and orders relating to the COVID-19 pandemic, and the need to keep residents and staff safe from infection, Baxter suffered extra expenses while it was unable to operate fully and without being able to offer all amenities and access to residents.

COMPLAINT AND JURY DEMAND

Baxter Senior Living, LLC v. Zurich American Insurance Co., Case No. 3AN-22-____ CI

Page 16 of 20

Exhibit A
Page 17 of 270

100. The State's various directives and orders relating to the COVID-19 pandemic were responsive to "direct physical loss" within one mile of Baxter's facility because the directives and orders were meant to address the operation of government and private business statewide.

101. The extra expenses incurred by Baxter included obtaining personal protective equipment and the imposition of safety measures such as purchasing thermal temperature scanners.

102. Moreover, pursuant to Alaska law and the PPP Policy, a "loss may be caused by chain of losses." Zurich may not deny coverage on the basis that a secondary cause in the chain of causes leading to Baxter's loss is not a "covered cause of loss."

103. The PPP Policy provides coverage for Baxter's extra expenses and Zurich's refusal to pay Baxter's claim for the same constitutes a breach of the insurance contract between Baxter and Zurich.

104. Baxter seeks all damages that flow from this breach, including payment of its attorneys' fees and costs incurred in seeking the same.

COUNT VII

Breach of Contract

**Communicable Disease Suspension of Operations Coverage (Business Income)
Policy Limit: \$100,000**

105. Baxter incorporates all prior allegations as if stated herein.

106. The PPP Policy issued by Zurich contains coverage for "the actual loss of 'business income' you sustain due to an order of an authorized public health official or governmental authority that prevents access to that 'premises' or . . . a portion of that 'premises' . . . because of the discovery or suspicion of a communicable disease or threat of the spread of a communicable disease at that 'premises.'" Ex. 1 at 148.

107. Nowhere in the PPP Policy is COVID-19 described as excluded nor does the PPP Policy exclude events caused by a global viral pandemic.

108. Because of the presence of COVID-19 at Baxter's senior living facility, the State's various directives and orders relating to the COVID-19 pandemic, and the need to keep residents and staff safe from infection, Baxter suffered the loss of business income

COMPLAINT AND JURY DEMAND

Page 17 of 20

Baxter Senior Living, LLC v. Zurich American Insurance Co., Case No. 3AN-22-_____ CI

while it was unable to operate fully and without being able to offer all amenities and access to residents.

109. COVID-19 is unquestionably a “communicable disease” and the COVID-19 pandemic constitutes a “threat of the spread of a communicable disease.”

110. Moreover, pursuant to Alaska law and the PPP Policy, a “loss may be caused by chain of losses.” Zurich may not deny coverage on the basis that a secondary cause in the chain of causes leading to Baxter’s loss is not a “covered cause of loss.”

111. The PPP Policy provides coverage for Baxter’s business income, and Zurich’s refusal to pay Baxter’s claim for the same constitutes a breach of the insurance contract between Baxter and Zurich.

112. Baxter seeks all damages that flow from this breach, including payment of its attorneys’ fees and costs incurred in seeking the same.

COUNT VIII

Breach of Contract

Implied Covenant of Good Faith and Fair Dealing

113. Baxter incorporates all prior allegations as if stated herein.

114. All contracts in Alaska contain an implied covenant of good faith and fair dealing, including insurance contracts. *See, e.g., Gordon v. Foster, Garner Williams*, 785 P.2d 1196, 1199 (Alaska 1990).

115. Baxter paid all premiums due under the PPP Policy and Zurich was obligated to analyze any claims made and provide coverage appropriately.

116. When Zurich initially denied coverage, Baxter corresponded with Zurich at length regarding the errors in Zurich’s coverage analysis.

117. Zurich did not consider Baxter’s arguments and continued to fail to provide coverage despite clear language in the PPP Policy requiring coverage.

118. Zurich’s failure to provide coverage was therefore a violation of its obligation to act in good faith under the terms of the PPP Policy.

119. Baxter seeks all damages that flow from this breach, including payment of its attorneys’ fees and costs incurred in seeking the same.

COMPLAINT AND JURY DEMAND

Baxter Senior Living, LLC v. Zurich American Insurance Co., Case No. 3AN-22-_____ CI

Page 18 of 20

Exhibit A
Page 19 of 270

COUNT IX
Bad Faith (Tort)

120. Baxter incorporates all prior allegations as if stated herein.

121. In Alaska, when an insurer unreasonably and in bad faith withholds payment of the claim of its insured, it is subject to liability in tort. *See, e.g., Hillman v. Nationwide Mut. Fire Ins. Co.*, 855 P.2d 1321, 1323 (Alaska 1993).

122. Baxter paid all premiums due under the PPP Policy and Zurich was obligated to analyze any claims made and provide coverage appropriately.

123. When Zurich initially denied coverage, Baxter corresponded with Zurich at length regarding the errors in Zurich's coverage analysis.

124. Zurich did not consider Baxter's arguments and continued to fail to provide coverage despite clear language in the PPP Policy requiring coverage.

125. Zurich's initial refusal to honor Baxter's claim contained no reasonable basis and Zurich's continuing denial of Baxter's claim, after Baxter described Zurich's analytical errors with clarity, cannot be described as reasonable.

126. Under these circumstances, no reasonable insurer would have denied Baxter's claim.

127. Zurich's failure to provide coverage gives rise to liability in tort for bad faith.

128. Baxter seeks all damages that flow from Zurich's tortious behavior, including payment of all actual, compensatory, and punitive damages as well as its attorneys' fees and costs incurred in seeking the same.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully prays for entry of judgment in its favor and against Defendant as follows:

1. Plaintiff requests payment of all damages caused by Defendant's various breaches of the PPP Policy in an amount not less than its actual damages or all applicable policy limits;

COMPLAINT AND JURY DEMAND

Baxter Senior Living, LLC v. Zurich American Insurance Co., Case No. 3AN-22-

Page 19 of 20

CI

BANKSTON GRONNING BRECHT P.C.

Attorneys at Law
1127 West 7th Avenue, Suite 200
Anchorage, Alaska 99501
Tel. (907) 276-1711 - Fax (907) 279-5358

2. Plaintiff requests payment of all other actual, compensatory, and punitive damages allowable under law;

3. Plaintiff requests payment of treble damages under the Alaska Unfair Trade Practices and Consumer Protection Act;

4. Plaintiff requests payment of all attorneys' fees and costs pursuant to any applicable statute or civil rule;

5. Plaintiff requests pre- and post-judgment interest at the highest rate allowable under law;

6. Plaintiff requests declaratory relief in the form of an order from the Court stating that its losses described herein are covered by the PPP Policy issued by Zurich; and

7. Plaintiff requests any and all other legal or equitable relief deemed appropriate by the Court.

PLAINTIFF HEREBY DEMANDS A JURY ON ALL CLAIMS SO TRIABLE.

DATED at Anchorage, Alaska this 2nd day of February, 2022.

BANKSTON GRONNING BRECHT P.C.
Attorneys for Defendants

By: /s/ William M. Bankston
Alaska Bar No. 7111024
wbankston@bgbalaska.com

By: /s/ Suzanne A. Adler
Alaska Bar No. 1612113
sadler@bgbalaska.com

W4560021\PLEADINGS\COMPZurich

COMPLAINT AND JURY DEMAND

Baxter Senior Living, LLC v. Zurich American Insurance Co., Case No. 3AN-22-_____ CI

Page 20 of 20

Exhibit A
Page 21 of 270

EXHIBIT LIST

(There must be a separate exhibit list for each party.)

Court Case No.: _____ ☐ Probate Hearing ☐ Pretrial Hearing ☐ Trial

vs. _____

Name of Party: Baxter Senior Living, LLC v. Zurich American Insurance Co. ☐ Petitioner ☒ Plaintiff ☐ Defendant

Party's Attorney: William M. Bankston & Suzanne A. Adler

Exhibit No. Marked for ID	BRIEF DESCRIPTION OF EXHIBIT	FOR COURT USE ONLY						
		Id By Wit.	Offered	Admitted	Withdrawn Date	To Jury/ Judge	From Jury/ Judge	To Exhibit Clerk
1	Property Portfolio Protection Policy No. 9551494-00							
2	State's March 12, 2020 COVID-19 CDC Information Email							
3	State of Alaska August 24, 2020 Recommended Guidance for Congregate Residential Settings							
4	Affidavit of Karl Drucks							
5	Affidavit of Jonie Suzuki							
6	Affidavit of Karla Cen							
7	Zurich's Notice of Conditioned Renewal							

I certify that exhibits checked "To Jury/Judge" on all pages were given to the jury/judge for deliberation/advisement.

Date _____ In-Court Clerk _____ Received By _____

I certify that exhibits check "From Jury/Judge" on all pages were received after the verdict/decision.

Date _____ In-Court Clerk _____ Received By _____

I certify that all exhibits were ☐ Placed in Interim Storage ☐ Returned to counsel per order of the court

Date _____ In-Court Clerk _____ Atty Sig. _____ Date _____

I certify that the exhibits checked "To Exhibit Clerk" on all pages have been placed Exhibit Storage.

Date _____ Exhibits Clerk _____

EXHIBIT 1



Exhibit A
Page 23 of 270

**SCHEDULE***

*Any information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Case 3:22-cv-00044-SLG Document 2-1 Filed 03/04/22 Page 24 of 270

E. Definition of Act of Terrorism under TRIA

TRIA defines "act of terrorism" as any act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act ("TRIA"), to be an act of terrorism. The Terrorism Risk Insurance Act provides that the Secretary of Treasury shall certify an act of terrorism:

1. To be an act of terrorism;
2. To be a violent act or an act that is dangerous to human life, property or infrastructure;
3. To have resulted in damage within the United States, or outside of the United States in the case of an air carrier (as defined in section 40102 of Title 49, United States Code) or a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), or the premises of a United States mission; and
4. To have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

No act may be certified as an act of terrorism if the act is committed as part of the course of a war declared by Congress (except for workers' compensation) or if losses resulting from the act, in the aggregate for insurance subject to TRIA, do not exceed \$5,000,000.



CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

Insureds Name	Policy Number	Effective Date	Endorsement Number
BAXTER SENIOR LIVING, LLC	PRA 9551494-00	09/01/2019	

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies your insurance:

A. Cap on Losses From Certified Terrorism Losses

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with provisions of the federal Terrorism Risk Insurance Act ("TRIA"), to be an act of terrorism. The Terrorism Risk Insurance Act provides that the Secretary of Treasury shall certify an act of terrorism:

1. To be an act of terrorism;
2. To be a violent act or an act that is dangerous to human life, property or infrastructure;
3. To have resulted in damage within the United States, or outside of the United States in the case of an air carrier (as defined in section 40102 of Title 49, United States Code) or a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), or the premises of a United States mission; and
4. To have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

No act may be certified as an act of terrorism if the act is committed as part of the course of a war declared by Congress (except for workers' compensation) or if losses resulting from the act, in the aggregate for insurance subject to TRIA, do not exceed \$5,000,000.

If aggregate insured losses attributable to one or more "certified acts of terrorism" exceed \$100 billion in a calendar year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of Treasury.

B. Application of Other Exclusions

The terms and limitations of a terrorism exclusion or any other exclusion, or the inapplicability or omission of a terrorism exclusion or any other exclusion, do not serve to create coverage which would otherwise be excluded, limited or restricted under this policy.

Copyright © 2015 Zurich American Insurance Company
Includes copyrighted material of Insurance Services Office, Inc., with its permission.

U-GU-767-B CW (01/15)
Page 1 of 1

EXHIBIT 1
Complaint
Page 3 of 192

Exhibit A
Page 26 of 270

Disclosure Statement



It is our pleasure to present the enclosed policy to you
for presentation to your customer.

INSTRUCTION TO AGENT OR BROKER:

WE REQUIRE THAT YOU TRANSMIT THE ATTACHED/ENCLOSED DISCLOSURE STATEMENT TO THE CUSTOMER
WITH THE POLICY.

Once again, thank you for your interest, and we look forward to meeting your needs and those of your customers.

U-GU-873-A CW (06/11)
Page 1 of 1

EXHIBIT 1
Complaint
Page 4 of 192

Exhibit A
Page 27 of 270

Disclosure Statement



NOTICE OF DISCLOSURE FOR AGENT & BROKER COMPENSATION

If you want to learn more about the compensation Zurich pays agents and brokers visit:

<http://www.zurichnaproducercompensation.com>

or call the following toll-free number: (866) 903-1192.

This Notice is provided on behalf of Zurich American Insurance Company
and its underwriting subsidiaries.

U-GU-874-A CW (06/11)
Page 1 of 1

EXHIBIT 1
Complaint
Page 5 of 192

Exhibit A
Page 28 of 270

**COMMERCIAL INSURANCE****COMMON POLICY DECLARATIONS**

Policy Number PRA 9551494-00 Renewal of Number NEW
Named Insured and Mailing Address Producer and Mailing Address
BAXTER SENIOR LIVING, LLC MARSH & MCLENNAN AGENCY LLC
PO BOX 90834 PO BOX 107502
ANCHORAGE AK 99509 ANCHORAGE AK 99510-7502

Producer Code 70345-000

Policy Period: Coverage begins 09-01-2019 at 12:01 A.M.; Coverage ends 09-15-2020 at 12:01 A.M.

The name insured is ☐ Individual ☐ Partnership ☐ Corporation
☒ Other: LIMITED LIABILITY COMPANY

This insurance is provided by one or more of the stock insurance companies which are members of the Zurich-American Insurance Group. The company that provides coverage is designated on each Coverage Part Common Declarations. The company or companies providing this insurance may be referred to in this policy as "The Company", we, us, or our. The address of the companies of the Zurich-American Insurance Group are provided on the next page.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE(S):

PROPERTY PORTFOLIO PROTECTION	PREMIUM \$ 15,326.00
issued by ZURICH AMERICAN INSURANCE COMPANY	
BUSINESS AUTOMOBILE	PREMIUM \$ 2,713.00
issued by ZURICH AMERICAN INSURANCE COMPANY	

THIS PREMIUM MAY BE SUBJECT TO AUDIT. TOTAL \$ 18,039.00
This premium does not include Taxes and Surcharges.

Taxes and Surcharges TOTAL \$

The Form(s) and Endorsement(s) made a part of this policy at the time of issue are listed on the **SCHEDULE of FORMS and ENDORSEMENTS.**

Countersigned this day of

Authorized Representative

THESE DECLARATIONS TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART DECLARATIONS, COVERAGE PART FORM(S), FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

U-GJ-D-310-A (01/83)
Page 1 of 1

EXHIBIT 1
Complaint
Page 6 of 192

Exhibit A
Page 29 of 270

Policy Number
PRA 9551494-00

SCHEDULE OF FORMS AND ENDORSEMENTS

Zurich American Insurance Company

Named Insured BAXTER SENIOR LIVING, LLC

Effective Date: 09-01-19
12:01 A.M., Standard Time

Agent Name MARSH & MCLENNAN AGENCY LLC

Agent No. 70345-000

COMMON POLICY FORMS AND ENDORSEMENTS

U-GU-630-D CW	01-15	DISCLOSURE OF INFO RELATING TO TRIA
U-GU-767-B CW	01-15	CAP ON LOSS FROM CERTIFIED ACTS OF TERR
U-GU-D-310-A	01-93	COMMON POLICY DECLARATIONS
U-GU-619-A CW	10-02	SCHEDULE OF FORMS AND ENDORSEMENTS
U-GU-319-F	01-09	IMPORTANT NOTICE - IN WITNESS CLAUSE
U-GU-618-A CW	10-02	SCHEDULE OF LOCATIONS
IL 00 17	11-98	COMMON POLICY CONDITIONS
IL 00 21	09-08	NUCLEAR ENERGY LIABILITY EXCLUSION ENDT
IL 01 07	07-02	ALASKA CHANGES - LOSS PAYMENT
IL 01 21	09-08	ALASKA CHANGES - ATTORNEYS FEES
IL 01 76	06-11	ALASKA CHANGES-APPRAISAL
IL 02 80	09-08	ALASKA CHANGES-CANC & NONREN
IL 00 03	09-08	CALCULATION OF PREMIUM
U-GU-1191-A MU	03-15	SANCTIONS EXCLUSION ENDORSEMENT

PROPERTY PORTFOLIO PROTECTION FORMS AND ENDORSEMENTS

PPP-0001	06-06	COMMERCIAL PROP CVG PART DECLARATIONS
PPP-0101	03-14	COMMERCIAL PROP CVG PART GEN PROVISIONS
PPP-0102	08-16	COMMERCIAL PROPERTY CONDITIONS
PPP-0103	08-16	COMMERCIAL PROPERTY DEFINITIONS
PPP-0110	08-16	REAL AND PERSONAL PROPERTY COVERAGE FORM
PPP-0111	03-14	ADDITIONAL COVERAGES FORM
PPP-0112	08-16	ACCOUNTS RECEIVABLE CVG (REVENUE LOSS)
PPP-0113	04-09	CRIME COVERAGE FORM
PPP-0114	08-16	FINE ARTS COVERAGE FORM
PPP-0115	03-14	INSTALLATION & SERVICE PROPERTY CVG FORM
PPP-0116	08-16	ORIGINAL INFORMATION PROPERTY CVG FORM
PPP-0117	03-14	TRANSIT COVERAGE FORM
PPP-0130	08-16	BUS INC COVG FORM (EXCL EXTRA EXPENSE)
PPP-0132	08-16	EXTRA EXPENSE COVERAGE FORM
PPP-0217	03-14	NAMED STORM -- DD & TE DEDUCTIBLE
PPP-0302	03-14	DEP PREM BI CVG -- UNSCHEDULED LOCS
PPP-0308	06-06	ENABLING ENDORSEMENT
PPP-0409	08-16	HEALTHCARE INDUSTRY COVERAGE
PPP-1541	06-11	ALASKA CHANGES
PPP-1542	08-09	ALASKA CHANGES - FUNGUS EXCLUSION
PPP-1543	02-10	AK CHANGES - TERMINATION OF AN EMPLOYEE

AUTOMOBILE FORMS AND ENDORSEMENTS

U-CA-531-B	02-08	NOTICE REGARDING TERRORISM PREMIUM
U-CA-D-600-C	04-14	BUSINESS AUTO DECLARATIONS
CA 00 01	10-13	BUSINESS AUTO COVERAGE FORM
CA 01 79	09-14	ALASKA CHANGES
CA 21 60	01-19	AK UNINSURED/UNDERINSURED MOTORIST COV
CA 05 17	01-18	AK PUB/LIV PASS CONV, TRANS NET & ON-DEMA
CA 99 03	10-13	AUTO MEDICAL PAYMENTS COVERAGE
CA 20 18	10-13	PROFESSIONAL SERVICES NOT COVERED

U-GU-619-A CW (10/02)

EXHIBIT 1
Complaint
Page 7 of 192

Exhibit A
Page 30 of 270



Important Notice – In Witness Clause

In return for the payment of premium, and subject to the terms of this policy, coverage is provided as stated in this policy.

IN WITNESS WHEREOF, this Company has executed and attested these presents and, where required by law, has caused this policy to be countersigned by its duly Authorized Representative(s).

President

Corporate Secretary

QUESTIONS ABOUT YOUR INSURANCE? Your agent or broker is best equipped to provide information about your insurance. Should you require additional information or assistance in resolving a complaint, call or write to the following (please have your policy or claim number ready):

Zurich in North America
Customer Inquiry Center
1299 Zurich Way
Schaumburg, Illinois 60196-1056
1-800-382-2150 (Business Hours: 8am - 4pm [CT])
Email: info.source@zurichna.com

U-GU-319-F (01/09)
Page 1 of 1

EXHIBIT 1
Complaint
Page 8 of 192

Exhibit A
Page 31 of 270

Policy Number
PRA 9551494-00

SCHEDULE OF LOCATIONS

Zurich American Insurance Company

Named Insured BAXTER SENIOR LIVING, LLC

Effective Date: 09-01-19
12:01 A.M., Standard Time

Agent Name MARSH & MCLENNAN AGENCY LLC

Agent No. 70345-000

Loc. No.	Bldg. No.	Designated Locations (Address, City, State, Zip Code)	Occupancy
001	001	4280 BAXTER RD ANCHORAGE, AK 99504	

U-GU-618-A CW (10/02)

EXHIBIT 1
Complaint
Page 9 of 192

Exhibit A
Page 32 of 270

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. Inspections And Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and

- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

(Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage":

- (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:

- (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
- (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
- (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a) Any "nuclear reactor";
- (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing or packaging "waste";

- (c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

- (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ALASKA CHANGES – LOSS PAYMENT

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART

A. The following is added to the Loss Payment Condition:

The undisputed part of a claim will be paid in accordance with the terms of this Condition, even if other parts of the claim remain in dispute.

POLICY NUMBER:

IL 01 21 09 08

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ALASKA CHANGES – ATTORNEY'S FEES

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
COMMERCIAL PROPERTY – LEGAL LIABILITY COVERAGE FORM
COMMERCIAL PROPERTY – MORTGAGEHOLDER'S ERRORS AND OMISSIONS COVERAGE FORM
FARM COVERAGE PART
FARM UMBRELLA LIABILITY POLICY
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

SCHEDULE

Attorney's Fees For A Judgment Of	Additional Premium
\$ 0	\$ INCL.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

In any "suit" we defend in Alaska, our obligation under Supplementary Payments to pay all costs taxed against the "insured" is amended by the following:

A. We will pay that portion of the attorney's fees awarded as costs which does not exceed the amount allowed for a contested case in the schedule of attorney's fees contained in Alaska Civil Rule 82 for a judgment equal to the applicable Limit of Insurance.

B. However, if a premium and a judgment amount are shown in the Schedule, we will pay, instead of the attorney's fees provided in Paragraph A. above, that portion of the attorney's fees awarded as costs which do not exceed the amount allowed for a contested case in Civil Rule 82 for the judgment amount shown in the Schedule.

IL 01 21 09 08

© Insurance Services Office, Inc., 2008

Page 1 of 1
Wolters Kluwer Financial Services | Uniform Forms™

EXHIBIT 1
Complaint
Page 14 of 192

Exhibit A
Page 37 of 270

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ALASKA CHANGES – APPRAISAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
 COMMERCIAL AUTOMOBILE COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART
 STANDARD PROPERTY POLICY

A. The following provisions are replaced by the Appraisal Provision set forth below:

1. Commercial Automobile Coverage Part, Appraisal for Physical Damage Loss; and
2. Capital Assets Program (Output Policy) Coverage Part, Appraisal Loss Condition, but only if Endorsement **OP 04 03**, Vehicle Physical Damage Condition, is attached.

If you and we fail to agree on the amount of "loss", either may make a written demand for an appraisal of the "loss". In this event, within 10 days of the demand, each party will choose a competent appraiser and will notify the other of the appraiser selected. The two appraisers will promptly choose a competent and impartial umpire. Not later than 15 days after the umpire has been chosen, unless this time period is extended by the umpire, each appraiser will separately state, in writing, the actual cash value and the amount of "loss". If the appraisers submit a written report of an agreement on the actual cash value and the amount of "loss" to us, that agreement will be binding. If they fail to agree, they will promptly submit their differences to the umpire. A decision agreed to by one of the appraisers and the umpire will be binding as to the actual cash value and the amount of "loss". Each party will:

1. Pay its own counsel and adjuster fees; and
2. Bear those other expenses and fees which are incurred as a result of the appraisal, either in entirety or proportionately, as determined by the umpire.

Neither party waives any rights under this policy by agreeing to an appraisal.

B. Except as provided in C. below, the following replaces the Appraisal Conditions in the Equipment Breakdown Coverage Part, the Commercial Inland Marine Coverage Part, the Commercial Property Coverage Part, the Capital Assets Program (Output Policy) Coverage Part, the Farm Coverage Part and the Standard Property Policy:

If you and we fail to agree on the value of the property or the amount of loss ("loss"), either may make a written demand for an appraisal of the loss ("loss"). In this event, within 10 days of the demand, each party will choose a competent appraiser and will notify the other of the appraiser selected. The two appraisers will promptly choose a competent and impartial umpire. If they cannot agree, either may request that the choice be made by a judge of a court having jurisdiction. Not later than 15 days after the umpire has been chosen, unless this time period is extended by the umpire, each appraiser will separately state, in writing, the value of the property and the amount of loss ("loss"). If the appraisers submit a written report of an agreement on the value of the property and the amount of loss ("loss"), that agreement will be binding. If they fail to agree, they will promptly submit their differences to the umpire. A decision agreed to by one of the appraisers and the umpire will be binding. Each party will:

1. Pay its own counsel and adjuster fees; and
2. Bear those other expenses and fees which are incurred as a result of the appraisal, either in entirety or proportionately, as determined by the umpire.

Neither party waives any rights under this policy by agreeing to an appraisal.

C. The Appraisal Condition in:

1. Business Income Coverage Form (And Extra Expense) CP 00 30;
2. Business Income Coverage Form (Without Extra Expense) CP 00 32; and
3. Capital Assets Program Coverage Form (Output Policy) OP 00 01, Paragraph A.7. Business Income And Extra Expense

is replaced by the following:

If you and we fail to agree on the amount of Net Income and operating expense or the amount of loss, either may make a written demand for an appraisal of the loss. In this event, within 10 days of the demand, each party will choose a competent appraiser and will notify the other of the appraiser selected. The two appraisers will promptly choose a competent and impartial umpire. If they cannot agree, either may request that the choice be made by a judge of a court having jurisdiction. Not later than 15 days after the umpire has been chosen, unless this time period is extended by the umpire, each appraiser will separately state, in writing, the amount of Net Income and operating expense or the amount of loss. If the appraisers submit a written report of an agreement on the amount of Net Income and operating expense or the amount of loss, that agreement will be binding. If they fail to agree, they will promptly submit their differences to the umpire. A decision agreed to by one of the appraisers and the umpire will be binding. Each party will:

1. Pay its own counsel and adjuster fees; and

2. Bear those other expenses and fees which are incurred as a result of the appraisal, either in entirety or proportionately, as determined by the umpire.

Neither party waives any rights under this policy by agreeing to an appraisal.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ALASKA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
FARM UMBRELLA LIABILITY POLICY
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

- A. The Cancellation Common Policy Condition is replaced by the following:**
1. The first Named Insured shown in the Declarations may cancel this policy by mailing to us advance written notice of cancellation.
 2. We may cancel this policy by mailing to you and the agent or broker of record written notice of cancellation. Such notice, stating the reason for cancellation, must be sent by first class mail at least:
 - a. 10 days before the effective date of cancellation if we cancel for:
 - (1) Conviction of the insured of a crime having as one of its necessary elements an act increasing a hazard insured against; or
 - (2) Fraud or material misrepresentation by the insured or a representative of the insured in obtaining the insurance or by the insured in pursuing a claim under this policy; or
 - b. 20 days before the effective date of cancellation if we cancel for:
 - (1) Nonpayment of premium; or
 - (2) Failure or refusal of the insured to provide the information necessary to confirm exposure or determine the policy premium; or
 - c. 60 days before the effective date of cancellation if we cancel for any other reason.
 3. We will mail our notice to your last known address and the last known address of the agent or broker of record.
 4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
 5. A post office certificate of mailing or certified mail receipt will be sufficient proof of mailing of notice.

6. If this policy is cancelled, we will return any premium refund due to the agent or broker of record, or directly to the first Named Insured, or, if applicable, to the premium finance company, if:

a. We cancel, the refund will be the pro rata unearned premium. The refund will be returned or credited before the effective date of cancellation. However, if cancellation is for:

- (1) Nonpayment of premium;
- (2) Conviction of the insured of a crime having as one of its necessary elements an act increasing a hazard insured against;
- (3) Discovery of fraud or material misrepresentation made by the insured or a representative of the insured in obtaining the insurance or by the insured in pursuing a claim under the policy; or
- (4) Failure or refusal of the insured to provide the information necessary to confirm exposure or necessary to determine the policy premium;

any unearned premium shall be returned or credited within 45 days after the cancellation notice is given; or

b. The first Named Insured cancels, the refund:

(1) Will be the pro rata unearned premium minus a cancellation fee of 7.5% of the pro rata unearned premium. However, we will not retain this cancellation fee if this policy is cancelled:

- (a) And rewritten with us or in our company group;
- (b) At our request;
- (c) Because you no longer have a financial or insurable interest in the property or business operation that is the subject of this insurance; or
- (d) After the first year for a prepaid policy written for a term of more than one year; or

(2) Will be returned or credited:

- (a) By the effective date of cancellation; or

(b) Within 45 days of your request to cancel;

whichever is later.

If the policy is selected for audit, we will complete the audit within 45 days of receipt of the request for cancellation. The refund will be returned within 45 days of completion of an audit, or the effective date of cancellation, whichever is later.

B. The following is added and supersedes any provision to the contrary:

Nonrenewal

1. If we decide not to renew this policy, we will mail written notice of nonrenewal, by first class mail, to you and the agent or broker of record at least 45 days before:

- a. The expiration date; or
- b. The anniversary date if this policy has been written for more than one year or with no fixed expiration date.

2. We need not mail notice of nonrenewal if:

- a. We have manifested in good faith our willingness to renew; or
- b. The first Named Insured has failed to pay any premium required for this policy; or
- c. The first Named Insured fails to pay the premium required for renewal of this policy.

3. Any notice of nonrenewal will be mailed to your last known address and the last known address of the agent or broker of record. A post office certificate of mailing or certified mail receipt will be sufficient proof of mailing of notice.

C. The following Condition is added:

Notice Of Premium Or Coverage Changes On Renewal

If the premium to renew this policy increases more than 10% for a reason other than an increase in coverage or exposure basis, or if after the renewal there will be a material restriction or reduction in coverage not specifically requested by the insured, we will mail written notice to your last known address and the last known address of the agent or broker of record at least 45 days before:

1. The expiration date; or
2. The anniversary date if this policy has been written for more than one year or with no fixed expiration date.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.



SANCTIONS EXCLUSION ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

The following exclusion is added to the policy to which it is attached and supersedes any existing sanctions language in the policy, whether included in an Exclusion Section or otherwise:

SANCTIONS EXCLUSION

Notwithstanding any other terms under this policy, we shall not provide coverage nor will we make any payments or provide any service or benefit to any insured, beneficiary, or third party who may have any rights under this policy to the extent that such cover, payment, service, benefit, or any business or activity of the insured would violate applicable trade or economic sanctions listed by the Office of Foreign Assets Control of (OFAC) of the US Department of Treasury.

The term policy may be comprised of common policy terms and conditions, the declarations, notices, schedule, coverage parts, insuring agreement, application, enrollment form, and endorsements or riders, if any, for each coverage provided. Policy may also be referred to as contract or agreement.

We may be referred to as insurer, underwriter, we, us, and our, or as otherwise defined in the policy, and shall mean the company providing the coverage.

Insured may be referred to as policyholder, named insured, covered person, additional insured or claimant, or as otherwise defined in the policy, and shall mean the party, person or entity having defined rights under the policy.

These definitions may be found in various parts of the policy and any applicable riders or endorsements.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED

U-GU-1191-A MU (03/15)
Page 1 of 1

EXHIBIT 1
Complaint
Page 20 of 192

Exhibit A
Page 43 of 270



Commercial Property Coverage Part Declarations

ZURICH AMERICAN INSURANCE COMPANY

NAMED INSURED:
BAXTER SENIOR LIVING, LLC

POLICY PERIOD:
From: 9/1/2019 To: 9/15/2020
12:01 A.M. STANDARD TIME AT YOUR
MAILING ADDRESS

POLICY NUMBER: PRA 9551494-00

SUMMARY OF PREMISES

PREMISES #	1	PREMISES ADDRESS
		4280 BAXTER RD
		ANCHORAGE, AK 99504

COVERAGE	LIMIT OF INSURANCE
REAL PROPERTY AND PERSONAL PROPERTY	\$ 20,085,249
BUSINESS INCOME AND EXTRA EXPENSE	\$ 2,000,000

DEDUCTIBLE	AMOUNT
NAMED STORM-DIRECT DAMAGE AND TIME ELEMENT	\$ 25,000

MORTGAGE HOLDER:

MIDLAND STATES BANK ISAOA
P.O. BOX 526
EFFINGHAM, IL 62401

PPP-0001 (06 06)

1

EXHIBIT 1
Complaint
Page 21 of 192

Exhibit A
Page 44 of 270



Commercial Property Coverage Part Declarations

ZURICH AMERICAN INSURANCE COMPANY

NAMED INSURED:
BAXTER SENIOR LIVING, LLC

POLICY PERIOD:
From: 9/1/2019 To: 9/15/2020
12:01 A.M. STANDARD TIME AT YOUR
MAILING ADDRESS

POLICY NUMBER: PRA 9551494-00

SUMMARY OF PREMISES

PREMISES # 1

PREMISES ADDRESS
4280 BAXTER RD
ANCHORAGE, AK 99504

LOSS PAYEE: (LOSS PAYABLE)

MIDLAND STATES BANK ISAOA
P.O. BOX 526
EFFINGHAM, IL 62401
POS SYSTEM

NAVITAS CREDIT CORP ISAOA
201 EXECUTIVE CENTER DR. STE 100
COLUMBIA, SC 29210
SILVERSPHERE SYSTEM

PPP-0001 (06 06)

2

EXHIBIT 1
Complaint
Page 22 of 192

Exhibit A
Page 45 of 270



Commercial Property Coverage Part Declarations

ZURICH AMERICAN INSURANCE COMPANY

NAMED INSURED:
BAXTER SENIOR LIVING, LLC

POLICY PERIOD:
From: 9/1/2019 To: 9/15/2020
12:01 A.M. STANDARD TIME AT YOUR
MAILING ADDRESS

POLICY NUMBER: PRA 9551494-00

ADDITIONAL COVERAGES – LIMITS OF INSURANCE

Limits of Insurance applicable at a "premises" that differ from those indicated below will be shown under the Summary of Premises section of this Declarations for that "premises". Those Limits of Insurance replace, and are not in addition to, the Limits of Insurance shown below for those specified coverages and "premises". If any Additional Coverages do not apply at any specific "premises", the Limit of Insurance will show as Not Covered for those "premises".

COVERAGE	LIMIT OF INSURANCE
CIVIL AUTHORITY	
BUSINESS INCOME	30 DAYS
EXTRA EXPENSE	30 DAYS
COMMUNICABLE DISEASE SUSPENSION OF OPERATIONS–BUSINESS INCOME	\$ 100,000 PER PREMISES
CONSEQUENTIAL LOSS–NET LEASEHOLD INTEREST	\$ 25,000 PER PREMISES
CONSEQUENTIAL LOSS–TENANT'S IMPROVEMENTS AND BETTERMENTS	\$ 250,000 PER PREMISES
CONSEQUENTIAL LOSS–UNDAMAGED STOCK	\$ 250,000 PER PREMISES
CONTAMINATION BY A REFRIGERANT	\$ 25,000 PER PREMISES
CONTRACTUAL PENALTIES–BUSINESS INCOME	\$ 25,000 PER OCCURRENCE
DEBRIS REMOVAL–COVERED PROPERTY	COVERED
DEBRIS REMOVAL–SUPPLEMENTAL LIMIT	\$ 250,000 PER OCCURRENCE
DEBRIS REMOVAL–UNCOVERED PROPERTY	\$ 2,500 PER OCCURRENCE

PPP-0001 (06 06)

3

EXHIBIT 1
Complaint
Page 23 of 192

Exhibit A
Page 46 of 270



Commercial Property Coverage Part Declarations

ZURICH AMERICAN INSURANCE COMPANY

NAMED INSURED:
BAXTER SENIOR LIVING, LLC

POLICY PERIOD:
From: 9/1/2019 To: 9/15/2020
12:01 A.M. STANDARD TIME AT YOUR
MAILING ADDRESS

POLICY NUMBER: PRA 9551494-00

ADDITIONAL COVERAGES -- LIMITS OF INSURANCE

Limits of Insurance applicable at a "premises" that differ from those indicated below will be shown under the Summary of Premises section of this Declarations for that "premises". Those Limits of Insurance replace, and are not in addition to, the Limits of Insurance shown below for those specified coverages and "premises". If any Additional Coverages do not apply at any specific "premises", the Limit of Insurance will show as Not Covered for those "premises".

COVERAGE	LIMIT OF INSURANCE
DECONTAMINATION EXPENSE	\$ 50,000 PER PREMISES
DEFERRED PAYMENTS	\$ 50,000 PER OCCURRENCE
DEPENDENT BUSINESS INCOME-- UNSCHEDULED LOCATIONS	\$ 250,000 PER OCCURRENCE
ELECTRONIC VANDALISM	
DIRECT DAMAGE	\$ 25,000 ANNUAL AGGREGATE
BUSINESS INCOME	\$ 25,000 ANNUAL AGGREGATE
EXPEDITING EXPENSE	\$ 25,000 PER PREMISES
EXPENSE TO REDUCE LOSS--BUSINESS INCOME	COVERED
EXTENDED PERIOD OF INDEMNITY--BUSINESS INCOME	365 DAYS
EXTRA EXPENSE	\$ 25,000 PER PREMISES
FAIRS OR EXHIBITIONS	
PERSONAL PROPERTY	\$ 50,000 PER OCCURRENCE
BUSINESS INCOME	\$ 10,000 PER OCCURRENCE
FIRE DEPARTMENT SERVICE CHARGE	\$ 250,000 PER PREMISES

PPP-0001 (06 06)

4

EXHIBIT 1
Complaint
Page 24 of 192

Exhibit A
Page 47 of 270



Commercial Property Coverage Part Declarations

ZURICH AMERICAN INSURANCE COMPANY

NAMED INSURED:
BAXTER SENIOR LIVING, LLC

POLICY PERIOD:
From: 9/1/2019 To: 9/15/2020
12:01 A.M. STANDARD TIME AT YOUR
MAILING ADDRESS

POLICY NUMBER: PRA 9551494-00

ADDITIONAL COVERAGES – LIMITS OF INSURANCE

Limits of Insurance applicable at a "premises" that differ from those indicated below will be shown under the Summary of Premises section of this Declarations for that "premises". Those Limits of Insurance replace, and are not in addition to, the Limits of Insurance shown below for those specified coverages and "premises". If any Additional Coverages do not apply at any specific "premises", the Limit of Insurance will show as Not Covered for those "premises".

COVERAGE	LIMIT OF INSURANCE
FIRE PROTECTIVE EQUIPMENT REFILLS	COVERED
INFLATION GUARD	
REAL PROPERTY	4 % ANNUAL
PERSONAL PROPERTY	4 % ANNUAL
INGRESS/EGRESS	
BUSINESS INCOME	30 DAYS
EXTRA EXPENSE	30 DAYS
LOCK AND KEY REPLACEMENT	\$ 25,000 PER PREMISES
MICROORGANISMS	\$ 25,000 ANNUAL AGGREGATE
MICROORGANISMS–BUSINESS INCOME	\$ 25,000 ANNUAL AGGREGATE
MOBILE MEDICAL EQUIPMENT	\$ 50,000 PER ANY ONE UNIT
	\$ 50,000 PER OCCURRENCE

PPP-0001 (06 06)

5

EXHIBIT 1
Complaint
Page 25 of 192

Exhibit A
Page 48 of 270



Commercial Property Coverage Part Declarations

ZURICH AMERICAN INSURANCE COMPANY

NAMED INSURED:
BAXTER SENIOR LIVING, LLC

POLICY PERIOD:
From: 9/1/2019 To: 9/15/2020
12:01 A.M. STANDARD TIME AT YOUR
MAILING ADDRESS

POLICY NUMBER: PRA 9551494-00

ADDITIONAL COVERAGES - LIMITS OF INSURANCE

Limits of Insurance applicable at a "premises" that differ from those indicated below will be shown under the Summary of Premises section of this Declarations for that "premises". Those Limits of Insurance replace, and are not in addition to, the Limits of Insurance shown below for those specified coverages and "premises". If any Additional Coverages do not apply at any specific "premises", the Limit of Insurance will show as Not Covered for those "premises".

COVERAGE	LIMIT OF INSURANCE
NEWLY ACQUIRED PREMISES	
REAL PROPERTY	\$ 1,000,000 FOR 180 DAYS
PERSONAL PROPERTY	\$ 1,000,000 FOR 180 DAYS
BUSINESS INCOME	\$ 250,000 FOR 180 DAYS
EXTRA EXPENSE	\$ 25,000 FOR 180 DAYS
	THE ABOVE LIMITS APPLY SEPARATELY TO EACH NEWLY ACQUIRED PREMISES.
NEWLY ACQUIRED PROPERTY	
REAL PROPERTY	\$ 250,000 PER PREMISES FOR 180 DAYS
PERSONAL PROPERTY	\$ 250,000 PER PREMISES FOR 180 DAYS
OFF-PREMISES SERVICE INTERRUPTION- DIRECT DAMAGE	\$ 100,000 PER PREMISES
OUTDOOR TREES, SHRUBS, PLANTS, OR LAWNS	\$ 250,000 PER PREMISES \$ 5,000 PER TREE, SHRUB, PLANT, OR LAWN
PATIENT EVACUATION	\$ 25,000 PER PREMISES
POLLUTANT CLEAN UP AND REMOVAL- LAND AND WATER	\$ 25,000 ANNUAL AGGREGATE PER PREMISES
PRESERVATION OF PROPERTY	180 DAYS

PPP-0001 (06 06)

6

EXHIBIT 1
Complaint
Page 26 of 192

Exhibit A
Page 49 of 270



Commercial Property Coverage Part Declarations

ZURICH AMERICAN INSURANCE COMPANY

NAMED INSURED:
BAXTER SENIOR LIVING, LLC

POLICY PERIOD:
From: 9/1/2019 To: 9/15/2020
12:01 A.M. STANDARD TIME AT YOUR
MAILING ADDRESS

POLICY NUMBER: PRA 9551494-00

ADDITIONAL COVERAGES – LIMITS OF INSURANCE

Limits of Insurance applicable at a "premises" that differ from those indicated below will be shown under the Summary of Premises section of this Declarations for that "premises". Those Limits of Insurance replace, and are not in addition to, the Limits of Insurance shown below for those specified coverages and "premises". If any Additional Coverages do not apply at any specific "premises", the Limit of Insurance will show as Not Covered for those "premises".

COVERAGE	LIMIT OF INSURANCE
PROFESSIONAL FEES	\$ 25,000 PER OCCURRENCE
RADIOACTIVE CONTAMINATION	\$ 50,000 PER PREMISES
REPORTED UNSCHEDULED PREMISES	
REAL PROPERTY	NOT COVERED
PERSONAL PROPERTY	NOT COVERED
BUSINESS INCOME	NOT COVERED
EXTRA EXPENSE	NOT COVERED
REWARD PAYMENTS	\$ 25,000 PER OCCURRENCE
SALESPERSONS SAMPLES	\$ 25,000 PER OCCURRENCE
SPOILAGE-EQUIPMENT BREAKDOWN	\$ 100,000 PER PREMISES
THEFT DAMAGE TO BUILDINGS	COVERED
UNREPORTED PREMISES	
REAL PROPERTY	\$ 100,000 PER UNREPORTED PREMISES
PERSONAL PROPERTY	\$ 100,000 PER UNREPORTED PREMISES
BUSINESS INCOME	\$ 10,000 PER UNREPORTED PREMISES
EXTRA EXPENSE	\$ 10,000 PER UNREPORTED PREMISES

PPP-0001 (06/06)

7

EXHIBIT 1
Complaint
Page 27 of 192

Exhibit A
Page 50 of 270



Commercial Property Coverage Part Declarations

ZURICH AMERICAN INSURANCE COMPANY

NAMED INSURED:
BAXTER SENIOR LIVING, LLC

POLICY PERIOD:
From: 9/1/2019 To: 9/15/2020
12:01 A.M. STANDARD TIME AT YOUR
MAILING ADDRESS

POLICY NUMBER: PRA 9551494-00

CRIME COVERAGE – LIMITS OF INSURANCE

COVERAGE	LIMIT OF INSURANCE		
COMPUTER FRAUD	\$	25,000	PER OCCURRENCE
EMPLOYEE THEFT	\$	25,000	PER OCCURRENCE
FORGERY OR ALTERATION	\$	25,000	PER OCCURRENCE
FUNDS TRANSFER FRAUD	\$	25,000	PER OCCURRENCE
MONEY AND SECURITIES – INSIDE BUILDINGS	\$	25,000	PER OCCURRENCE
MONEY AND SECURITIES – OUTSIDE BUILDINGS	\$	25,000	PER OCCURRENCE

PPP-0001 (06 06)

8

EXHIBIT 1
Complaint
Page 28 of 192

Exhibit A
Page 51 of 270



Commercial Property Coverage Part Declarations

ZURICH AMERICAN INSURANCE COMPANY

NAMED INSURED:
BAXTER SENIOR LIVING, LLC

POLICY PERIOD:
From: 9/1/2019 To: 9/15/2020
12:01 A.M. STANDARD TIME AT YOUR
MAILING ADDRESS

POLICY NUMBER: PRA 9551494-00

MARINE COVERAGE – LIMITS OF INSURANCE

Limits of Insurance applicable at a "premises" that differ from those indicated below will be shown under the Summary of Premises section of this Declarations for that "premises". Those Limits of Insurance replace, and are not in addition to, the Limits of Insurance shown below for those specified coverages and "premises". If any Marine Coverages do not apply at any specific "premises", the Limit of Insurance will show as Not Covered for those "premises".

COVERAGE	LIMIT OF INSURANCE	
ACCOUNTS RECEIVABLE (REVENUE LOSS)	\$	250,000 PER PREMISES
ACCOUNTS RECEIVABLE (REVENUE LOSS) – AWAY FROM PREMISES	\$	250,000 PER OCCURRENCE
FINE ARTS	\$	25,000 PER PREMISES
FINE ARTS – AWAY FROM PREMISES	\$	25,000 PER OCCURRENCE
INSTALLATION AND SERVICE PROPERTY STOCK TO BE INSTALLED	\$	25,000 PER OCCURRENCE – INSTALLATION PREMISES
	\$	25,000 PER OCCURRENCE – TEMPORARY STORAGE LOCATION
	\$	25,000 PER OCCURRENCE – TRANSIT
TOOLS AND EQUIPMENT		
SCHEDULED EQUIPMENT		NOT COVERED
UNSCHEDULED TOOLS & EQUIPMENT	\$	1,000 PER ANY ONE ITEM
	\$	10,000 PER OCCURRENCE
Unscheduled tools and equipment coverage is intended for items valued at or less than the limit per any one item shown above. An item valued at more than this limit must be specifically scheduled or no coverage applies to that item.		
ORIGINAL INFORMATION PROPERTY	\$	250,000 PER PREMISES
ORIGINAL INFORMATION PROPERTY – AWAY FROM PREMISES	\$	250,000 PER OCCURRENCE
TRANSIT		
PERSONAL PROPERTY	\$	25,000 PER OCCURRENCE
BUSINESS INCOME	\$	10,000 PER OCCURRENCE

PPP-0001 (06 06)

9

EXHIBIT 1
Complaint
Page 29 of 192

Exhibit A
Page 52 of 270



Commercial Property Coverage Part Declarations
ZURICH AMERICAN INSURANCE COMPANY

NAMED INSURED:
BAXTER SENIOR LIVING, LLC

POLICY PERIOD:
From: 9/1/2019 To: 9/15/2020
12:01 A.M. STANDARD TIME AT YOUR
MAILING ADDRESS

POLICY NUMBER: PRA 9551494-00

DEDUCTIBLES

GENERAL DEDUCTIBLES

PROPERTY DEDUCTIBLE: \$ 10,000 PER OCCURRENCE

The above deductible applies to all loss, damage, cost, or expense covered by this Commercial Property Coverage Part, unless a specific coverage deductible is shown elsewhere on this Declarations or an endorsement.

BUSINESS INCOME AND EXTRA EXPENSE WAITING PERIOD: 24 HOURS

The above waiting period applies to all loss or expense covered by Business Income and Extra Expense coverages contained in this Commercial Property Coverage Part, unless a specific coverage deductible is shown elsewhere on this Declarations or an endorsement.

CRIME DEDUCTIBLE: \$ 5,000 PER OCCURRENCE

The above deductible applies to all loss or damage covered by Crime coverage contained in this Commercial Property Coverage Part, unless a specific coverage deductible is shown elsewhere on this Declarations or an endorsement.



ZURICH

Commercial Property Coverage Part Declarations

ZURICH AMERICAN INSURANCE COMPANY

NAMED INSURED:
BAXTER SENIOR LIVING, LLC

POLICY PERIOD:
From: 9/1/2019 To: 9/15/2020
12:01 A.M. STANDARD TIME AT YOUR
MAILING ADDRESS

POLICY NUMBER: PRA 9551494-00

DEDUCTIBLES

CATASTROPHE PERIL DEDUCTIBLES:

NAMED STORM DEDUCTIBLES

Loss or damage to Covered Property caused by a "named storm" is subject to separate deductible amounts. The deductibles applicable to "named storm" are stated in the Summary of Premises section of this Declarations for that specific "premises". If the Named Storm Deductibles apply to loss or damage at "reported unscheduled premises", the deductible amounts for "reported unscheduled premises" are stated on the Catastrophe Coverage – Limits of Insurance and Deductibles section of this Declarations.

The Named Storm Deductibles only apply to loss or damage that, but for the application of the Deductibles, would be paid by us under this Commercial Property Coverage Part.

APPLICATION OF MULTIPLE DEDUCTIBLES:

Unless otherwise stated in a Coverage Form or endorsement, if more than one deductible applies, we will apply each deductible separately, but the total of all deductible amounts applied will not exceed the highest applicable deductible for loss or damage to Covered Property and the highest applicable deductible for loss under "time element coverage". This provision does not apply to Covered Property and "time element coverage" for covered loss or damage due to "earth movement", "flood", "named storm", or to wind or hail when a separate Wind and Hail Deductible is applicable.

PPP-0001 (06 06)

11

EXHIBIT 1
Complaint
Page 31 of 192

Exhibit A
Page 54 of 270



Commercial Property Coverage Part Declarations
ZURICH AMERICAN INSURANCE COMPANY

NAMED INSURED:
BAXTER SENIOR LIVING, LLC

POLICY PERIOD:
From: 9/1/2019 To: 9/15/2020
12:01 A.M. STANDARD TIME AT YOUR
MAILING ADDRESS

POLICY NUMBER: PRA 9551494-00

CATASTROPHE COVERAGE – LIMITS OF INSURANCE AND DEDUCTIBLES

NAMED STORM–DIRECT DAMAGE AND
TIME ELEMENT DEDUCTIBLE

SEE SUMMARY OF PREMISES SECTION

PPP-0001 (06 06)

12

EXHIBIT 1
Complaint
Page 32 of 192

Exhibit A
Page 55 of 270



Commercial Property Coverage Part General Provisions

IMPORTANT INFORMATION ABOUT THIS COMMERCIAL PROPERTY COVERAGE PART. PLEASE READ IT CAREFULLY.

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties, and what is and what is not covered.

DEFINITIONS AND MEANINGS

Throughout this Commercial Property Coverage Part, the words "you" and "your" refer to the Named Insured shown on the Commercial Property Coverage Part Declarations. The words "we", "us", and "our" refer to the Company providing this insurance coverage.

The word "occurrence" includes all losses or damages that are attributable directly or indirectly to one cause or a series of similar causes. All such losses or damages will be treated as one occurrence. However, if occurrence is specifically defined in a Coverage Form, that definition applies to the insurance provided by that Coverage Form and any endorsements to that Coverage Form.

For purposes of this Commercial Property Coverage Part:

- a. Covered Property is the property that is insured for loss or damage under the applicable Coverage Forms or endorsements.
- b. Covered Income is the income that is insured for loss under the applicable Coverage Forms or endorsements.

Other words and phrases that appear in bold and in quotation marks, or in quotation marks only, have special meaning. You will find these definitions in the Commercial Property Definitions, Coverage Forms, and in endorsements to the Coverage Forms.

Words or phrases that are not defined are intended to have their ordinary or common meaning. Disputes concerning the meaning of words or phrases will be resolved using the most recently published version of Webster's Unabridged Dictionary.

Unless otherwise stated, words that are used in the plural tense include the singular tense (and vice versa).

FORMS

In addition to these General Provisions, the Commercial Property Coverage Part contains the Common Policy Conditions, Commercial Property Conditions, Commercial Property Definitions, and various Coverage Forms and endorsements as shown on the Property Forms and Endorsements Section of the Schedule of Forms and Endorsements. Some forms and endorsements may refer to other Coverage Forms, but you only have coverage under a particular Coverage Form if it is shown on the Property Forms and Endorsements Section of the Schedule of Forms and Endorsements. Similarly, even if the Property Forms and Endorsements Section of the Schedule of Forms and Endorsements shows that you have a Coverage Form, you will not have coverage for each coverage and optional coverage mentioned in that Coverage Form unless they are shown on the Commercial Property Coverage Part Declarations.

PPP-0101 (03 14)
Page 1 of 2

EXHIBIT 1
Complaint
Page 33 of 192

Exhibit A
Page 56 of 270

DEDUCTIBLES

If a deductible applies, it is described in the applicable Coverage Form or endorsement. The amount of the deductible to be applied is shown on the Summary of Premises, Deductibles, or Catastrophe Coverage - Limits of Insurance and Deductibles sections of the Commercial Property Coverage Part Declarations.

Unless otherwise stated in a Coverage Form or endorsement, if more than one deductible applies, we will apply each deductible separately, but the total of all deductible amounts applied will not exceed the highest applicable deductible for loss or damage to Covered Property and the highest applicable deductible for loss under "time element coverage". However, this provision does not apply to Covered Property and "time element coverage" for covered loss or damage due to "earth movement", "flood", or "named storm", or to wind or hail when a separate Wind Deductible or Wind and Hail Deductible is applicable.

Loss or damage to Covered Property caused by "earth movement", "flood", "named storm", water damage, theft and wind or hail may be subject to separate deductible amounts. The Summary of Premises section of the Commercial Property Coverage Part Declarations identify the "premises" subject to the separate deductibles and the deductible amounts. If the Earth Movement Deductibles, Flood Deductibles, Named Storm Deductibles, or Wind and Hail Deductibles apply to loss or damage at "reported unscheduled premises", to "contractor's equipment" away from "premises", or to "installation property" away from "premises", the deductible amounts are stated on the Catastrophe Coverage - Limits of Insurance and Deductibles section of the Commercial Property Coverage Part Declarations.

The Earth Movement Deductibles, Flood Deductibles, Named Storm Deductibles, Wind Deductibles, and Wind and Hail Deductibles only apply to loss or damage that, but for the application of the Deductibles, would be paid by us under this Commercial Property Coverage Part.

PPP-0101 (03 14)
Page 2 of 2



Commercial Property Conditions

Table of Contents

<u>Conditions</u>	<u>Page No.</u>
Abandonment	1
Appraisal	1
Concealment, Misrepresentation, or Fraud	1
Conformity to Statute	1
Control of Property	2
Duties in the Event of Loss or Damage.....	2
Insurance Under Two or More Coverages	2
Legal Action Against Us	2
Liberalization	3
Loss Payment	3
Mortgageholders	4
No Benefit to Bailee	4
Other Insurance	5
Policy Period, Coverage Territory.....	5
Recovered Property	6
Suspended Equipment	6
Transfer of Rights of Recovery Against Others to Us	6

PPP-0102 (08 16)

EXHIBIT 1
Complaint
Page 35 of 192

Exhibit A
Page 58 of 270



Commercial Property Conditions

This Commercial Property Coverage Part is subject to the following conditions as well as the Common Policy Conditions.

A. ABANDONMENT

There can be no abandonment of any property to us.

B. APPRAISAL

If we and you disagree on the value of the property or the amount of the loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent, disinterested, and impartial appraiser who has no direct or indirect financial interest in the claim. The two appraisers will select an umpire. If they cannot agree, either may request that selection of an umpire be made by a judge of a court having jurisdiction. The appraisers will state separately the value of each item of lost or damaged property as of the date of loss and amount of loss in accordance with the Valuation provisions of the applicable Coverage Form or, if not stated, the "actual cash value" and "replacement cost". If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim in whole or in part, based on the terms and conditions of the policy.

C. CONCEALMENT, MISREPRESENTATION, OR FRAUD

This policy is void in any case of fraud by you or any other insured as it relates to this Commercial Property Coverage Part at any time before or after a loss. It is also void as to you or any other insured, and we will not pay you or any other insured, if you or any other insured, at any time before or after a loss, intentionally conceal or misrepresent a material fact concerning:

1. The insurance provided by this policy;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under the policy.

D. CONFORMITY TO STATUTE

Terms of this Commercial Property Coverage Part that are in conflict with the statutes of the state in which this policy is issued are hereby amended to conform to such statutes.

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

PPP-0102 (08 16)
Page 1 of 7

E. CONTROL OF PROPERTY

Breach of any provision contained in the Commercial Property Conditions or Common Policy Conditions by any person, other than you, beyond your direction or control will not affect this insurance.

The breach of any provision contained in the Commercial Property Conditions or Common Policy Conditions at any one or more locations will not affect coverage at any location where, at the time of loss or damage, there was no breach.

F. DUTIES IN THE EVENT OF LOSS OR DAMAGE

1. You must see that the following are done in the event of loss or damage to Covered Property:
 - a. Notify the police if a law may have been broken.
 - b. Give us prompt notice of the loss or damage, including a description of the property involved.
 - c. As soon as possible, give us a description of how, when, and where the loss or damage occurred.
 - d. Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a "covered cause of loss". Also, if feasible, set the damaged property aside and in the best possible order for examination.
 - e. At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values, and amount of loss claimed.
 - f. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also, permit us to take samples of damaged and undamaged property for inspection, testing, and analysis, and permit us to make copies from your books and records.
 - g. Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
 - h. Cooperate with us in the investigation or settlement of the claim.
2. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.
3. Failure of an agent or one of your employees, other than an officer, partner, manager, "member", director, trustee, proprietor, or risk management employee, to notify us of any loss or damage that they know about will not affect the insurance afforded you by this Commercial Property Coverage Part.

G. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

H. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Commercial Property Coverage Part unless:

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

PPP-0102 (08 16)
Page 2 of 7

1. All of its terms have been fully complied with; and
2. The action is brought within 2 years after the date on which the loss or damage commenced.

I. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Commercial Property Coverage Part, without additional premium and within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Commercial Property Coverage Part.

J. LOSS PAYMENT

The following apply unless otherwise provided in a Coverage Form in this Commercial Property Coverage Part:

1. In the event of loss or damage covered by this Commercial Property Coverage Part, at our option, we will either:
 - a. Pay the amount of the loss or damage;
 - b. Pay the cost of repairing or replacing the lost or damaged property;
 - c. Take all or any part of the property at an agreed or appraised value; or
 - d. Repair, rebuild, or replace the property with other property of like kind and quality.We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
2. If we elect to exercise option 1.c. with respect to any branded or labeled "merchandise" or "finished stock", you may:
 - a. Stamp salvage on the "merchandise" or "finished stock", or its containers, if the stamp will not physically damage the "merchandise" or "finished stock"; or
 - b. Remove the brands or labels, if doing so will not physically damage the "merchandise" or "finished stock". You must relabel the "merchandise" or "finished stock", or its containers, to comply with the law.We will assume the cost of stamping or removal and charge it to salvage expense.
3. We will not pay you more than your financial interest in the Covered Property.
4. This Commercial Property Coverage Part provides no rights or benefits to any other person or organization, unless otherwise provided. Any claim for loss that is covered under this Commercial Property Coverage Part must be presented by you. At our option, we may adjust the loss with the owners of lost or damaged property if other than you. If we pay the owners, such payment will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
5. We may elect to defend you against suits arising from claims of owners of Covered Property. We will do this at our expense.
6. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Commercial Property Coverage Part and:
 - a. We have reached agreement with you on the amount of the loss; or
 - b. An appraisal award has been made.

7. The first Named Insured shown on the Declarations will be the payee for any payment of claims that we may make with respect to this Commercial Property Coverage Part, subject to the Mortgageholders Condition below and any endorsements. However, our payment for loss or damage to "personal property of others" may be to the account of the owner of the property.

K. MORTGAGEHOLDERS

1. Mortgageholder includes trustee.
2. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown on the Declarations in their order of precedence, as interests may appear.
3. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
4. If we deny your claim because of your acts or because you have failed to comply with the terms of this Commercial Property Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
 - a. Pays the premium due under this Commercial Property Coverage Part at our request if you have failed to do so;
 - b. Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
 - c. Has notified us of any change in ownership, occupancy, or substantial change in risk known to the mortgageholder.

All of the terms of this Commercial Property Coverage Part will then apply directly to the mortgageholder.

5. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Commercial Property Coverage Part:
 - a. The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
 - b. The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.
6. If we cancel the policy, we will give written notice to the mortgageholder at least:
 - a. 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
7. If we elect not to renew the policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

L. NO BENEFIT TO BAILEE

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

PPP-0102 (08 16)
Page 4 of 7

M. OTHER INSURANCE

1. If you have other insurance subject to the same plan, terms, conditions, and provisions as the insurance under this Commercial Property Coverage Part, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Commercial Property Coverage Part bears to the sum of all the Limits of Insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in Paragraph 1. above, we will pay only the least of the following amounts:
 - a. Any Limit of Insurance applicable to the Covered Property that has sustained such loss or damage;
 - b. The amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not, without application of any deductible amounts contained elsewhere in this Commercial Property Coverage Part; or
 - c. The amount we would have paid had such other insurance not existed.
3. Paragraphs 1. and 2. above do not apply to other insurance that is purchased as insurance in excess of the Limit of Insurance under this Commercial Property Coverage Part.

N. POLICY PERIOD, COVERAGE TERRITORY

Under this Commercial Property Coverage Part:

1. We cover loss or damage which happens:
 - a. During the policy period shown on the Declarations; and
 - b. Within the coverage territory.
2. The coverage territory is:
 - a. The United States of America (including its territories and possessions); and
 - b. Puerto Rico.
3. When this Commercial Property Coverage Part provides coverage for property in transit:
 - a. The coverage territory is extended to Canada for property in transit as long as the origin or destination is included in 2. above, except when property is being transported by a vessel.
 - b. The coverage territory is extended to everywhere else in the world for property while being transported by an aircraft, as long as either the origin or destination is included in 2. above and neither the origin nor the destination is in any country upon which the United States government has imposed sanctions, embargoes or similar prohibitions.
4. If the property is in transit by a vessel that originated outside the coverage territory included in 2. above, then coverage commences when the property has been fully discharged from the vessel onto a point within the coverage territory.
5. If the property is in transit by a vessel with a destination outside the coverage territory included in 2. above, then coverage ends when the property has been loaded on board the vessel.
6. For the Fairs or Exhibitions Additional Coverage, the Coverage Territory is extended to Canada.

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

PPP-0102 (08-16)
Page 5 of 7

O. RECOVERED PROPERTY

1. If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, you may do one of the following:
 - a. Keep the loss payment and transfer the recovered property to us; or
 - b. Keep the recovered property and return the loss payment to us. If you do this, we will pay for the recovery expenses and the expense to repair the recovered property up to the applicable Limit of Insurance.
2. The amount of loss can be reduced by any salvage recovery through the sale of the damaged Covered Property.
 - a. If, following a loss, a recovery is made from the sale of damaged Covered Property and your claim has not yet been paid, we will be entitled to this salvage recovery until we have recovered our salvaging fees and expenses. The balance of the salvage recovery will be paid to you and the amount of your loss settlement will be reduced by this balance.
 - b. If your claim has already been paid when a salvage recovery is made, we will be entitled to the salvage proceeds until we have recovered the difference between the amount we paid you for your claim and the amount we would have paid you had the salvage recovery been handled in accordance with a. above. Any balance of the salvage recovery will then be promptly refunded to you.

P. SUSPENDED EQUIPMENT

We, or any of our representatives, have the right to declare property to be "suspended equipment" when the property is found to be in, or exposed to, a dangerous condition, provided we have:

1. Told you of the dangerous condition immediately upon discovering it and informed you of its designation as "suspended equipment"; and
2. Mailed or delivered a written notice of such condition and designation, within 24 hours of the discovery, which notice is mailed or delivered to:
 - a. Your last known address; or
 - b. The address where said object is located.

Any designation of "suspended equipment" can only be rescinded, in writing, by endorsement to this Commercial Property Coverage Part.

Any designation of "suspended equipment" will result in your receiving a pro rata refund of premium you paid for the coverage of that property under this Commercial Property Coverage Part. However, any designation of "suspended equipment" will be in effect if we have not yet made or offered the refund.

Q. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Commercial Property Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and cooperate with our efforts to recover our payment and must do nothing after loss to impair our rights. But you may, without restricting your coverage, waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at the time of loss, that party is one of the following:

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

PPP-0102 (08 16)
Page 6 of 7

- a. Someone insured under this Commercial Property Coverage Part;
- b. A business firm owned or controlled by you;
- c. A business firm, or an individual, that owns or controls you; or
- d. Your tenant.

Any recovery as a result of subrogation proceedings arising out of a covered loss, net of fees (including legal fees) and expenses we incur in such subrogation proceedings, will be shared with you in the following manner:

1. We will add the amount of any deductible you incurred to the amount of any other provable uninsured loss you incurred. This is your interest.
2. We will determine the proportion your interest bears to the entire provable loss (both insured and uninsured). This is your pro rata share.
3. We will reimburse to you your pro rata share of the recovery after deduction, from the total recovery, of recovery expenses paid by us and after deduction of any legal fees paid by us. We will retain the balance. We will not owe you any amount for any legal fees or any expenses incurred by you in furtherance of any recovery unless those fees or expenses are approved by us in writing and in advance of your incurring those fees or expenses.

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

PPP-0102 (08 16)
Page 7 of 7

EXHIBIT 1
Complaint
Page 42 of 192

Exhibit A
Page 65 of 270



Commercial Property Definitions

1. **"Accounts receivable records"** means accounting records you use to document the billing and collection of **"money"** due from your customers, regardless of what material it is inscribed, printed, written, or recorded upon.
2. **"Actual cash value"** means **"replacement cost"** reduced by each of the following:
 - a. Physical deterioration;
 - b. Depreciation;
 - c. Obsolescence;
 - d. Depletion;
 - e. Non-conformity to codes, ordinances, regulations, or statutes; and
 - f. The cost to reconstruct or remodel undamaged portions of **"real property"**.But in no event will **"actual cash value"** be higher than the **"market value"**.
3. **"Amount you actually spend"** means:
 - a. The total payments you make to an entity you do not own or operate at the time of loss or damage to repair the damaged **"real property"** or **"personal property"**; and
 - b. For goods and services provided by entities you own or operate at the time of loss or damage to repair the damaged **"real property"** or **"personal property"**:
 - 1) Direct payroll cost, excluding fixed payroll, for labor directly chargeable to the repair, rebuilding, or replacement of the damaged property;
 - 2) **"Replacement cost"** for your **"merchandise"** used in the repair, rebuilding, or replacement of the damaged property;
 - 3) Regular cash selling price, less any discounts and expenses you otherwise would have had, for your **"finished stock"** used in the repair, rebuilding, or replacement of the damaged property; and
 - 4) **"Replacement cost"** for your property other than **"merchandise"** or **"finished stock"** used in the repair, rebuilding, or replacement of the damaged property if replaced within 24 months, otherwise your original cost.
4. **"Banking premises"** means the interior of that portion of any building occupied by a banking institution or similar safe depository.
5. **"Business income"** means:
 - a. **"Net income"**; plus
 - b. **"Continuing expenses"**.

Includes copyrighted material of Insurance Services Office, Inc., with its permission.
Contains copyrighted material of the American Association of Insurance Services.

PPP-0103 (08 16)
Page 1 of 16

6. "Cessation of work" means any period of time when your business activities have ceased.

"Cessation of work" does not mean:

- a. Any period of time during which your business activities would not normally have been conducted, such as weekends or holidays;
- b. Seasonal activity planned in advance;
- c. Schedule delays due to weather; or
- d. Labor actions beyond your control.

7. "Cloud facility" means a data center(s) owned and operated by others whom you depend on to provide "information technology services".

8. "Computer systems" means:

- a. Computer hardware, software, and electronic data;
- b. Input and output devices;
- c. Data storage devices;
- d. Networking equipment and components;
- e. Firmware; and
- f. Electronic backup facilities, including systems accessible through the Internet, Intranets, or virtual private networks.

9. "Contaminant" means any substance that creates an impurity when it mixes with or comes into contact with another substance.

10. "Continuing expenses" means:

- a. Your continuing normal operating expenses including, but not limited to:
 - 1) Payroll;
 - 2) Rental payments as tenants; and
 - 3) Factory overhead; and
- b. Charges, which are the legal obligations of your tenants and have not been satisfied, and which are now your obligation.

"Continuing expenses" does not mean:

- a. "Extra expense";
- b. Expediting expense;
- c. "Research and development continuing expenses";

Includes copyrighted material of Insurance Services Office, Inc., with its permission.
Contains copyrighted material of the American Association of Insurance Services.

PPP-0103 (08 16)
Page 2 of 19

d. Any charges or expenses that do not necessarily continue during the "period of restoration" or "extended period of indemnity"; or

e. Bad debts.

11. "Contractor's employees' property" means tools and clothing owned by your officers, directors, partners, "managers", "members", or employees (including leased or temporary employees).

12. "Contractor's equipment" means:

- a. Equipment, tools, machinery, and other mechanical and electrical devices of a mobile nature used for contracting, installation, erection, repair, or moving operations or projects;
- b. Self-propelled vehicles designed and used primarily to carry mounted equipment;
- c. Vehicles designed for highway use that are unlicensed and not operated on public roads; and
- d. Watercraft, marine floats, or barges less than 26 feet long, owned by you or owned by others in your care, custody, or control.

"Contractor's equipment" does not mean:

- a. Contraband or property in the course of illegal transportation or trade;
- b. Aircraft;
- c. Railroad cars;
- d. Temporary or permanent forms, shoring, scaffolding, or falsework;
- e. "Contractor's employees' property"; or
- f. Recreational watercraft.

13. "Contributing locations" means locations owned and operated by others who:

- a. You depend on to deliver materials or services directly to you, or to others under your contract of sale; or
- b. Pay you royalties, licensing fees, or commissions under written agreements.

"Contributing locations" does not mean:

- a. Locations owned and operated by others who you depend upon to provide only power, communications, or other utility services to you; or
- b. "Manufacturing locations".

14. "Covered cause of loss" means a fortuitous cause or event, not otherwise excluded, which actually occurs during this policy period.

"Covered cause of loss" does not mean:

- a. A fortuitous cause or event, whether or not excluded, which actually occurred prior to this policy period, regardless of the date on which it first becomes manifest or is first discovered; or

Includes copyrighted material of Insurance Services Office, Inc., with its permission.
Contains copyrighted material of the American Association of Insurance Services.

PPP-0103 (08 16)
Page 3 of 19

EXHIBIT 1
Complaint
Page 45 of 192

Exhibit A
Page 68 of 270

b. Damage.

15. "Defective materials" means materials which are broken, inadequate, improper, faulty, flawed, improperly specified, contaminated, unfit for the purpose intended, or which contain a latent defect.

16. "Denial of service" means the direction of a high volume of inquiries to web site or e-mail destinations, effectively denying or limiting legitimate access, whether or not known to you.

17. "Dependent premises" means the following types of locations:

- a. "Contributing locations";
- b. "Recipient locations";
- c. "Manufacturing locations"; and
- d. "Leader locations".

If the location is described by an address only, it includes the area associated with that address in which you or the occupant are legally entitled to conduct "operations" and includes that area extending 1,000 feet beyond that address.

If the location is described by an address and further described by geographic boundaries, only the area within such boundaries, and within 1,000 feet thereof, is included.

"Dependent premises" does not mean any of the above locations within any country in which the United States government or Canadian government have imposed sanctions, embargoes, or similar prohibitions.

18. "Duplicate information property" means recorded information in any format which can either be copied from an existing original or duplicate or replaced by purchasing an existing duplicate that is available for sale, including any material it is recorded upon.

"Duplicate information property" does not mean:

- a. "Stock";
- b. "Fine arts";
- c. "Money";
- d. "Securities"; or
- e. "Electronic data processing hardware".

19. "Earth movement" means earthquake or other seismic activity, rising or shifting of earth (including frost heaves), or subsidence other than "sinkhole collapse".

"Earth movement" does not mean landslide, avalanche, or volcanic eruption, explosion or effusion, or tsunami.

20. "Electronic data processing hardware" means:

- a. A network of electronic components capable of accepting information and processing it according to a plan and which exists primarily to generate information in tangible form or on electronic media, as well as air conditioning equipment and fire protection equipment used exclusively for data processing operations;
- b. Telephone equipment; or

Includes copyrighted material of Insurance Services Office, Inc., with its permission.
Contains copyrighted material of the American Association of Insurance Services.

PPP-0103 (08 16)
Page 4 of 19

- c. Facsimile equipment.

"Electronic data processing hardware" does not mean computers, devices, or components which:

- a. Exist primarily to control or operate machinery or equipment or to produce "stock in process" or "finished stock"; or
- b. Are "stock".

21. "Electronic vandalism" means:

- a. Willful or malicious electronic alteration, manipulation, tampering, or destruction of "accounts receivable records", "duplicate information property", "electronic data processing hardware", "original information property", or "research and development property";
- b. Introduction of a virus, code, or similar instruction that disrupts the normal operation of "electronic data processing hardware" and may destroy, alter, contaminate, or compromise the integrity, quality, or performance of "accounts receivable records", "duplicate information property", "electronic data processing hardware", "original information property", or "research and development property";
- c. Unauthorized viewing, copying, or use of any electronic "accounts receivable records", "duplicate information property", "original information property", or "research and development property"; and
- d. "Denial of service".

22. "Equipment breakdown cause of loss" means any of the following:

- a. Artificially generated electrical current, including electrical arcing, that injures or disturbs electrical devices, wiring, or equipment;
- b. Explosion, rupture, or bursting of steam boilers, steam pipes, steam engines, steam turbines, gas turbines, or apparatus attached to and forming a part thereof, when owned, operated, or controlled by you; except for explosion of accumulated gases or fuel within the furnace of any fired vessel, other than gas turbines, or within the flues or passages through which the products of combustion pass;
- c. Any condition or event inside steam boilers, steam pipes, steam engines, steam turbines, gas turbines, or apparatus attached to and forming a part thereof, when owned, operated, or controlled by you; except for explosion of accumulated gases or fuel within the furnace of any fired vessel, other than gas turbines, or within the flues or passages through which the gases of combustion pass;
- d. Any condition or event, other than an explosion, inside hot water boilers, other water heating equipment, engines other than steam engines, or pressure vessels when owned, operated, or controlled by you; and
- e. Mechanical or machinery breakdown, including rupture or bursting caused by centrifugal force, of property owned, operated, or controlled by you.

23. "Extended period of indemnity" means the period of time that begins on the date the "period of restoration" ends and ends on the earlier of:

- a. The date your gross sales, including rental income, are restored to the amount that would have existed if no direct physical loss or damage occurred; or
- b. The date calculated by adding the number of days shown on the Declarations for Extended Period of Indemnity--Business Income to the date the "period of restoration" ended.

Includes copyrighted material of Insurance Services Office, Inc., with its permission.
Contains copyrighted material of the American Association of Insurance Services.

PPP-0103 (08 16)
Page 5 of 19

"Extended period of indemnity" does not mean "research and development extended period of indemnity".

24. "Extra expense" means operating expenses you incur during the "period of restoration" that would not have been necessary to incur if there had been no direct physical loss or damage to the property, provided such expenses are incurred:

- a. In an attempt to avoid a "suspension" of or to continue those "operations" which have been affected by the direct physical loss or damage to the property; or
- b. In an attempt to minimize the "period of restoration".

"Extra expense" does not mean:

- a. Costs incurred to purchase "merchandise" as a replacement for your "finished stock";
- b. "Continuing expenses" or "research and development continuing expenses";
- c. Costs to repair, rebuild, or replace any property, or research or restore "original information property"; or
- d. Amounts incurred on financing or investment activity conducted for your own account.

25. "Fine arts" means paintings, etchings, pictures, tapestries, and other bona fide works of art, rarity, historical value, or artistic merit such as rugs, statuary, marbles, bronzes, antiques, furniture, rare books, antique silver, manuscripts, porcelains, rare glass, and bric-a-brac.

26. "Finished stock" means "goods you have manufactured" which are completed and ready for packing, shipment, installation, or sale.

"Finished stock" does not mean "goods you have manufactured" which are completed and ready for packing, shipment, installation, or sale on a "premises" or "reported unscheduled premises" of any retail outlet at which you are insured by Business Income Insurance.

27. "Flood" means a general and temporary condition of partial or complete inundation of land areas from:

- a. The overflow, or the expansion beyond normal boundaries, of inland or tidal waters, including natural or man-made lakes, reservoirs, ponds, brooks, rivers, streams, harbors, oceans, or any other body of water or watercourse;
 - b. Waves or tides, including tsunami;
- or their spray, whether driven by wind or not.

28. "Fungus" means any type or form of fungus, mold, or mildew and any mycotoxins, spores, scents, or by-products produced or released by fungi.

29. "Goods you have manufactured" means:

- a. Goods manufactured at a location you own or operate; and
- b. Goods manufactured at a location that you do not own or operate, provided:
 - 1) You contracted for the goods to be manufactured exclusively for you; and
 - 2) You are the owner or licensee of the design, patent, trademark, or copyright for the goods.

Includes copyrighted material of Insurance Services Office, Inc., with its permission.
Contains copyrighted material of the American Association of Insurance Services.

PPP-0103 (08 16)
Page 6 of 19

30. "Green roofing systems" means environmentally friendly roof coverings as defined by the LEED® Green Building Rating System™ of the U.S. Green Building Council or any other trees, shrubs, plants, grass, or lawns and other landscaping materials which are part of a vegetated roof.

31. "Gross leasehold interest" means:

- a. The monthly rental value of the "premises" or "reported unscheduled premises" you rent or lease on the date the direct physical loss or damage occurs; minus
- b. The actual monthly rent you pay, including taxes, insurance, janitorial, or other services you pay as part of the rent.

Example:

Monthly rental value of your leased "premises":	\$1,000
Monthly rent including taxes, insurance, janitorial, or other services that you pay for as part of the rent:	- \$700
"Gross leasehold interest"	\$300

32. "Improvements and betterments" means fixtures, alterations, installations, or additions:

- a. Comprising a part of the building you occupy as a tenant but do not own;
- b. Made or acquired at your expense exclusive of rent paid by you or for which you are legally required by written contract to insure; and
- c. Which you cannot remove legally.

33. "Information technology services" means technology services provided under a written contract consisting of:

- a. Maintaining, managing, or controlling "computer systems";
- b. Hosting or facilitating your internet website or web application(s); and
- c. Other related technology services.

"Information technology services" does not mean video, voice, or data communication services.

34. "Installation property" means materials, supplies, equipment, and machinery, and any other similar property owned by you or owned by others, which are in your care, custody, or control, that you are contractually responsible for, which are intended to become a permanent part of an "installation or service premises".

"Installation property" does not mean "landscaping materials" or land.

35. "Installation or service premises" means a location that is not owned, leased, or operated by you, at which you are installing, constructing, or servicing property.

"Installation or service premises" does not mean a "rigging premises".

36. "Landscaping materials" means trees, shrubs, plants, grass, lawns, and other landscaping materials, including "green roofing systems" owned by you or owned by others, which are in your care, custody, or control that you are contractually responsible for, and intended to become a permanent part of an "installation or service premises".

"Landscaping materials" does not mean trees, shrubs, plants, grass, lawns, or other landscaping materials or "green roofing systems" that exist as a permanent part of an "Installation or service premises" prior to the start of the project.

37. "Leader locations" means locations owned and operated by others who you depend on to attract customers to your business.
38. "Malfunction" means any abnormal or imperfect function, including the failure to function, of machinery, systems, apparatus, or equipment.
39. "Manager" means a person elected by the "members" to direct the limited liability company's business affairs.
40. "Manufacturing locations" means locations owned and operated by others who you depend on to manufacture products for delivery to your customers under contract of sale.
41. "Market value" means the price which the property might be expected to realize if offered for sale in a fair market on the date of loss or damage.
42. "Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager".
43. "Merchandise" means:
- a. Goods held for sale or installation by you which are not "goods you have manufactured"; and
 - b. "Goods you have manufactured" which are completed and ready for packing, shipment, installation, or sale on a "premises" or "reported unscheduled premises" of any retail outlet at which you are insured by Business Income Insurance.
44. "Microorganism" means any type or form of organism of microscopic or ultramicroscopic size including, but not limited to, "fungus", wet or dry rot, virus, algae, or bacteria, or any by-product.
45. "Mistake" means any act or decision, whether intentional or negligent, including the failure to act or decide, of any person, group, organization, or governmental body which creates or allows a result which is unexpected, inadequate, defective, faulty, or otherwise unsuitable for the intended purpose.
46. "Money" means:
- a. Currency, coins, bullion, or bank notes, whether or not in current use; and
 - b. Travelers checks, register checks, food stamps, and money orders held for sale to the public.
47. "Monthly leasehold interest" means the original costs you paid for:
- a. Bonus Payments -- "Money" you originally paid to acquire your lease, but not including rent, prepaid rent, or security; and
 - b. Prepaid Rent - Advance rent you paid that will not be refunded to you, other than periodic rental payments, divided by the number of months left in your lease at the time of the expenditure.

Example:

Original cost of Bonus Payment	\$4,000
With 20 months left in the lease at the time of Bonus Payment	÷20
"Monthly leasehold interest"	\$200

48. **"Net income"** means the net profit or loss, including rental income from tenants, that would have been earned or incurred before taxes.

49. **"Net leasehold interest"** means the sum of:

- a. The net present value of your **"gross leasehold interest"** for each remaining month of your lease, discounted at the Prime Rate prevailing on the date the direct physical loss or damage occurs, rounded to the nearest whole number; plus
- b. Your **"monthly leasehold interest"** times the number of months left in your lease on the date direct physical loss or damage occurs, rounded to the nearest whole number.

Example:

With 20 months left in lease and 10% Prime Rate:

"Gross leasehold interest"	\$300
Net Present Value Factor x 18.419 for 20 months	X 18.419
Subtotal a.	\$5,526
"Monthly leasehold interest"	\$200
With 20 months left in lease	x 20
Subtotal b.	\$4,000
"Net leasehold interest"	
Subtotal a. + Subtotal b.	\$9,526

50. **"Newly acquired premises"** means a permanently fixed location you own, lease, rent, or control. The location becomes a **"newly acquired premises"** on the later of:

- a. The date you obtain possession or control of the location; or
- b. The date **"real property"** or **"personal property"** in which you have an insurable interest is first placed at the location.

"Newly acquired premises" does not mean:

- a. A **"premises"**;
- b. An **"unreported premises"**;
- c. A **"reported unscheduled premises"**;
- d. A fair or exhibition;

Includes copyrighted material of Insurance Services Office, Inc., with its permission.
Contains copyrighted material of the American Association of Insurance Services.

PPP-0103 (08 16)
Page 9 of 19

- e. An "installation or service premises";
 - f. A "rigging premises"; or
 - g. A "temporary storage location".
51. "Off-premises service interruption" means the interruption of power or other utility services supplied to a covered location, however caused, if the interruption takes place away from the covered location.
52. "Operations" means:
- a. Your business activities occurring at the covered location prior to the physical loss or damage; and
 - b. The covered location is tenantable prior to the physical loss or damage.
- "Operations" does not mean:
- a. The activities of those with whom you do business;
 - b. Investing or financing activities conducted for your own account; or
 - c. "Research and development operations".
53. "Original information property" means recorded information in any format which cannot be copied from an existing original or duplicate or replaced by purchasing an existing duplicate that is available for sale, including any material it is recorded upon.
- "Original information property" does not mean:
- a. "Stock";
 - b. "Fine arts";
 - c. "Money";
 - d. "Securities";
 - e. "Electronic data processing hardware"; or
 - f. "Research and development property".
54. "Outdoor trees, shrubs, plants, or lawns" means outdoor trees, shrubs, plants, grass, or lawns you own.
- "Outdoor trees, shrubs, plants, or lawns" does not mean:
- a. Growing crops;
 - b. Standing timber;
 - c. "Landscaping materials";
 - d. "Stock", or
 - e. "Green roofing systems".

Includes copyrighted material of Insurance Services Office, Inc., with its permission.
Contains copyrighted material of the American Association of Insurance Services.

PPP-0103 (08/16)
Page 10 of 19

55. "Period of restoration" means the period of time that begins when:

- a. The direct physical loss or damage that causes "suspension" of your "operations" occurs; or
- b. The date "operations" would have begun if the start of "operations" is delayed because of loss of or damage to any of the following:
 - 1) "Real property", whether complete or under construction;
 - 2) Alterations or additions to "real property"; or
 - 3) "Personal property":
 - a) Used in such construction, alterations, or additions;
 - b) Incidental to the occupancy of the area intended for construction, alteration, or addition; or
 - c) Incidental to the alteration of the occupancy of an existing building or structure.

If you resume "operations", with reasonable speed, the "period of restoration" ends on the earlier of:

- a. The date when the location where the loss or damage occurred could have been physically capable of resuming the level of "operations" which existed prior to the loss or damage, if the location had been restored to the physical size, construction, configuration, location, and material specifications which would satisfy the minimum requirements necessary to obtain all required building permits, occupancy permits, operating licenses, or similar documents; or
- b. The date when a new permanent location is physically capable of resuming the level of "operations" which existed prior to the loss or damage, if you resume "operations" at a new permanent location.

If you do not resume "operations", or do not resume "operations" with reasonable speed (whether at your "premises" or "reported unscheduled premises" or elsewhere), the "period of restoration" will end on the date when the location where the loss or damage occurred could have been restored to the physical size, construction, configuration, location, and material specifications which existed at the time of loss or damage, with no consideration for any time:

- a. Which would have been required to make changes in order to satisfy the minimum requirements necessary to obtain all required building permits, occupancy permits, operating licenses, or similar documents; and
- b. Which would have been necessary to make the location physically capable of resuming the level of "operations" which existed prior to the loss or damage after the completion of repairs, replacement, or rebuilding.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants" or "microorganisms".

The expiration date of this policy will not cut short the "period of restoration".

56. "Personal property" means:

- a. "Your personal property";
- b. "Your employees' personal property";
- c. "Personal property of others" in your care, custody, or control;

Includes copyrighted material of Insurance Services Office, Inc., with its permission.
Contains copyrighted material of the American Association of Insurance Services.

PPP-0103 (08 16)
Page 11 of 19

- d. The value of labor, materials, or services furnished or arranged by you on **"personal property of others"**;
- e. Your interest in **"improvements and betterments"** to buildings or structures; and
- f. Glass which, as a tenant, you are required to insure.

"Personal property" does not mean:

- a. Naturally occurring water;
- b. Growing crops or standing timber;
- c. **"Outdoor trees, shrubs, plants, or lawns"**;
- d. **"Green roofing systems"**;
- e. **"Money"**, bills, notes, or **"securities"**;
- f. Contraband or property in the course of illegal transportation or trade;
- g. Animals, unless:
 - 1) Owned by others and boarded by you; or
 - 2) Owned by you as **"stock"** while inside of buildings;
- h. **"Fine arts"**;
- i. **"Original information property"**;
- j. Vehicles or self-propelled machines (including aircraft or watercraft) that:
 - 1) Are licensed for use on public roads; or
 - 2) Are operated principally away from a **"premises"** or **"reported unscheduled premises"**;
 But not:
 - 1) Vehicles or self-propelled machines you manufacture, process, warehouse, or hold for sale, other than vehicles licensed for use on public roads;
 - 2) Vehicles licensed for use on public roads that you manufacture, process, warehouse, or hold for sale, while on a **"premises"** or **"reported unscheduled premises"**; or
 - 3) Unpowered watercraft while out of water on a **"premises"** or **"reported unscheduled premises"**;
- k. Property contained in underground mines, mine shafts, caverns, open pits, or quarries;
- l. **"Research and development property"**;
- m. Spacecraft, satellites, associated launch vehicles and any major components, including any property contained therein;
- n. **"Scheduled property"**; or

Includes copyrighted material of Insurance Services Office, Inc., with its permission.
Contains copyrighted material of the American Association of Insurance Services.

PPP-0103 (08 16)
Page 12 of 19

EXHIBIT 1
Complaint
Page 54 of 192

Exhibit A
Page 77 of 270

- o. Property covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance.
57. **"Personal property of others"** means personal property not owned by you, your officers, directors, partners, "managers", "members", or employees (including leased or temporary employees).
58. **"Pollutants"** means any solid, liquid, gaseous, or thermal irritant, or "contaminant", including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. Waste includes materials to be recycled, reconditioned, or reclaimed.
59. **"Premises"** means:
- A location scheduled on the Declarations for this Commercial Property Coverage Part.
- a. If the location is described by an address only, it includes the area associated with that address in which you are legally entitled to conduct your business activities and includes that area extending 1,000 feet beyond the address.
- b. If the location is described by an address and further described by geographic boundaries, it includes only the area within such geographic boundaries in which you are legally entitled to conduct your business activities and includes that area extending 1,000 feet beyond that area.
- If you are a tenant, for purposes of "time element coverage", "premises" includes those portions of the location not rented or intended to be rented to others.
60. **"Raw stock"** means material in the state in which you acquired it for conversion into "finished stock".
61. **"Real property"** means:
- a. Buildings, including their "green roofing systems";
- b. Permanent structures;
- c. Equipment and apparatus used to maintain or service the buildings, structures, or their "premises" or "reported unscheduled premises"; and
- d. Materials, equipment, supplies, and temporary structures used for making additions, alterations, or repairs to the buildings or permanent structures.
- "Real property"** does not mean:
- a. "Fine arts";
- b. Land;
- c. Water;
- d. Underground mines, mine shafts, caverns, open pits, or quarries;
- e. Growing crops or standing timber;
- f. "Outdoor trees, shrubs, plants, or lawns";
- g. "Research and development property";
- h. "Contractor's equipment";

Includes copyrighted material of Insurance Services Office, Inc., with its permission.
Contains copyrighted material of the American Association of Insurance Services.

PPP-0103 (08 16)
Page 13 of 19

EXHIBIT 1
Complaint
Page 55 of 192

Exhibit A
Page 78 of 270

- i. "Contractor's employees' property";
- j. "Installation property";
- k. "Landscaping materials";
- l. Property of others in your care, custody, or control for "rigging"; or
- m. Launch facilities for spacecraft or satellites.

62. "Recipient locations" means locations owned or operated by others, who you depend on to accept your products or services.

63. "Replacement cost" means the lesser of:

a. Repair Cost

The cost to repair the "real property" or "personal property" at the time of direct physical loss or damage with new materials of like kind and quality, of similar size, for the same use or occupancy, and in compliance with all applicable zoning, land use, or construction codes in force at the time of loss or damage. This includes the cost to reconstruct or remodel undamaged portions of the "real property" when those costs are a consequence of enforcement of such codes.

b. Rebuild Cost

The cost to rebuild the "real property" or "personal property" at the time of direct physical loss or damage with new materials of like kind and quality, of similar size, for the same use or occupancy, and in compliance with all applicable zoning, land use, or construction codes in force at the time of loss or damage. Unless otherwise required at the time of loss by the applicable codes, this cost will be based on rebuilding at the same location where the loss occurred.

c. Replace Cost

The cost to replace the "real property" or "personal property" at the time of direct physical loss or damage with new materials of like kind and quality, of similar size, for the same use or occupancy, and in compliance with all applicable zoning, land use, or construction codes in force at the time of loss. Unless otherwise required at the time of loss by the applicable codes, this cost will be based on replacing at the same location where the loss or damage occurred.

If property of the same kind and quality is no longer available, we will pay to replace it with other property of similar quality and function, including property of greater processing capacity.

"Real property" and "personal property" valuation includes the cost you paid for non-refundable or non-transferable extended warranties, maintenance contracts, or service contracts which were still in force at the time of loss or damage and are no longer valid as a result of loss of or damage to "real property" or "personal property".

If there is an ordinance or law in force at the time of loss or damage that regulates zoning, land use, or construction of "real property" or "personal property" at the "premises" or "reported unscheduled premises", and if loss or damage covered by this Commercial Property Coverage Part causes a demolition order to be issued pursuant to any such ordinance or law, "replacement cost" includes the costs to demolish and clear the site of the undamaged portion of the "real property" or "personal property".

"Replacement cost" does not mean:

Includes copyrighted material of Insurance Services Office, Inc., with its permission.
Contains copyrighted material of the American Association of Insurance Services.

PPP-0103 (08 16)
Page 14 of 19

- a. Costs associated with the enforcement of any ordinance or law which requires any Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of, "pollutants" or "microorganisms";
 - b. Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling, or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread, or any activity of "microorganisms"; or
 - c. Costs to comply with any ordinance or law that you were required to comply with before the loss or damage.
64. "Reported unscheduled premises" means permanently fixed locations for which you have submitted a schedule on file with us containing:
- a. The address of the location and includes that area extending 1000 feet beyond the address;
 - b. An identification of the property, business income, or extra expense to be covered; and
 - c. The value of such identified property, business income, or extra expense.

If you are a tenant, for purposes of "time element coverage", "reported unscheduled premises" includes those portions of the location not rented or intended to be rented to others.

"Reported unscheduled premises" does not mean:

- a. A "premises";
 - b. A "newly acquired premises";
 - c. An "unreported premises";
 - d. A fair or exhibition;
 - e. An "installation or service premises";
 - f. A "temporary storage location";
 - g. A "rigging premises"; or
 - h. With respect to loss or damage covered by any "time element coverage", a "dependent premises".
65. "Research and development continuing expenses" means your continuing normal operating expenses that are directly attributable to "research and development operations", including payroll, rental payments as tenants, and factory overhead.
66. "Research and development extended period of indemnity" means the period of time that begins on the date the "period of restoration" ends and ends on the earlier of:
- a. The effective date of new contracts that will utilize that portion of your "research and development continuing expenses" attributable to a suspension, lapse, or cancellation for which coverage is provided under paragraph b. of the Extended Period of Indemnity Additional Coverage; or
 - b. The date calculated by adding the number of days shown on the Declarations for Research and Development Extended Period of Indemnity--Business Income to the date the "period of restoration" ended.
67. "Research and development operations" means your business activities where "research and development property" is being planned, created, developed, or tested.

Includes copyrighted material of Insurance Services Office, Inc., with its permission.
Contains copyrighted material of the American Association of Insurance Services.

PPP-0103 (08 16)
Page 15 of 19

68. "Research and development property" means:

- a. Information which cannot be duplicated or purchased from another source, including any material it is inscribed, printed, written, or recorded upon, including documents, manuscripts, records, data, or programs, developed or used in conjunction with any research and development project;
- b. Original or experimental property;
- c. Prototypes or samples;
- d. Experiments in progress;
- e. Biological products, processes, or cultures; and
- f. "Research animals".

"Research and development property" does not mean:

- a. Animals, other than "research animals";
- b. "Money", bills, notes, or "securities";
- c. "Stock";
- d. "Fine arts"; or
- e. Growing plants or crops.

69. "Research animal" means any multi-cellular organism that is used in your "research and development operations".

70. "Rigging" means rigging, hoisting, moving, erecting, lowering, and millwright work.

71. "Rigging premises" means a location for the purpose of:

- a. "Rigging";
- b. Assembling or dismantling work done in connection with a "rigging" project; or
- c. Operations incidental to a "rigging", assembling, or dismantling project.

72. "Salespersons samples" means "personal property" that is in the custody of one of your salespersons and used only for sample purposes.

73. "Scheduled property" means those items described in the SCHEDULED PROPERTY COVERAGE FORM within the Coverage Territory.

"Scheduled property" does not mean:

- a. "Real property";
- b. "Personal property";
- c. Contraband or property in the course of illegal transportation or trade;

Includes copyrighted material of Insurance Services Office, Inc., with its permission.
Contains copyrighted material of the American Association of Insurance Services.

PPP-0103 (08 18)
Page 16 of 19

- d. **"Money"**, bills, notes, or **"securities"**;
 - e. Waterborne property or property while being loaded onto or unloaded out of any watercraft, except while in the custody of a carrier for hire.
 - f. Vehicles or self-propelled machines (including aircraft or watercraft) that:
 - 1) Are licensed for use on public roads; or
 - 2) Are operated principally away from a **"premises"** or **"reported unscheduled premises"**;But not:
 - 1) Vehicles or self-propelled machines you manufacture, process, warehouse, or hold for sale, other than vehicles licensed for use on public roads;
 - 2) Vehicles licensed for use on public roads that you manufacture, process, warehouse, or hold for sale, while on a **"premises"** or **"reported unscheduled premises"**; or
 - 3) Unpowered watercraft while out of water on a **"premises"** or **"reported unscheduled premises"**;
 - g. Property contained in underground mines, mine shafts, caverns, open pits, or quarries; or
 - h. Spacecraft, satellites, associated launch vehicles and any major components, including any property contained therein.
74. **"Securities"** means negotiable and non-negotiable instruments or contracts representing either **"money"** or property and includes:
- a. Tokens, tickets, revenue, and other stamps whether or not in current use; and
 - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you.
- "Securities"** does not mean:
- a. **"Money"**; or
 - b. Lottery tickets held for sale.
75. **"Sinkhole collapse"** means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or similar rock formations.
- "Sinkhole collapse"** does not mean the:
- a. Sinking or collapse of land into man-made underground cavities;
 - b. Sinking or collapse of land caused by or resulting from **"flood"**; or
 - c. Cost of filling sinkholes.
76. **"Specified causes of loss"** means the following:
- a. Fire;
 - b. Lightning;

Includes copyrighted material of Insurance Services Office, Inc., with its permission.
Contains copyrighted material of the American Association of Insurance Services.

PPP-0103 (08/16)
Page 17 of 19

- c. Explosion;
 - d. Windstorm or hail;
 - e. Smoke;
 - f. Aircraft or vehicles;
 - g. Riot or civil commotion;
 - h. Vandalism;
 - i. Leakage from fire extinguishing equipment;
 - j. "Sinkhole collapse";
 - k. Volcanic action;
 - l. Falling objects, excluding loss or damage to:
 - 1) "Personal property" in the open; or
 - 2) The interior of buildings or property inside buildings, unless the roof or an outside wall of the building is first damaged by a falling object;
 - m. Weight of snow, ice, or sleet;
 - n. Accidental discharge or leakage of water or steam from any part of a system or appliance containing water or steam; and
 - o. "Equipment breakdown cause of loss", excluding loss of or damage to "stock" caused by the discharge, dispersal, release, or escape of refrigerants.
77. "Stock" means the following:
- a. "Raw stock";
 - b. "Stock in process";
 - c. "Finished stock"; and
 - d. "Merchandise".
78. "Stock in process" means "raw stock" which has undergone aging, seasoning, mechanical, or other process of manufacture but which has not become "finished stock".
79. "Suspended equipment" means any boiler, fired or unfired vessel, refrigerating or air conditioning system, piping and its accessory equipment, and any mechanical or electrical machine or apparatus used for the generation, transmission, or utilization of mechanical or electrical power, provided we have complied with the requirements described in the Suspended Equipment Condition contained in the COMMERCIAL PROPERTY CONDITIONS.
80. "Suspension" means:
- a. The slowdown or cessation of your business activities; or
 - b. That a part or all of the covered location is rendered untenable.

Includes copyrighted material of Insurance Services Office, Inc., with its permission.
Contains copyrighted material of the American Association of Insurance Services.

PPP-0103 (08 16)
Page 18 of 19

EXHIBIT 1
Complaint
Page 60 of 192

Exhibit A
Page 83 of 270

81. **"Temporary storage location"** means a permanently fixed location that you lease, rent, or occupy for a period of less than one year where **"stock"** or **"installation property"** that is to become a permanent part of an **"installation or service premises"** is stored while waiting to be delivered to an **"installation or service premises"** and there is a written construction or installation contract or agreement to install that **"stock"** or **"installation property"** at that **"installation or service premises"**.

"Temporary storage location" does not mean:

- a. A **"premises"**;
- b. A **"newly acquired premises"**;
- c. A **"reported unscheduled premises"**;
- d. A **"rigging premises"**;
- e. A fair or exhibition; or
- f. An **"unreported premises"**.

82. **"Time element coverage"** means the coverage provided under any of the following:

- a. BUSINESS INCOME COVERAGE FORM (EXCLUDING EXTRA EXPENSE);
- b. BUSINESS INCOME COVERAGE FORM INCLUDING RESEARCH AND DEVELOPMENT CONTINUING EXPENSES (EXCLUDING EXTRA EXPENSE)—TECHNOLOGY; or
- c. EXTRA EXPENSE COVERAGE FORM.

83. **"Unreported premises"** means a permanently fixed location that contains **"real property"** or **"personal property"** in which you have an insurable interest, but has not been reported to us.

"Unreported premises" does not mean:

- a. A **"premises"**;
- b. A **"newly acquired premises"**;
- c. A **"reported unscheduled premises"**;
- d. A **"rigging premises"**;
- e. A fair or exhibition;
- f. An **"installation or service premises"**;
- g. A **"temporary storage location"**; or
- h. With respect to loss or damage covered by any **"time element coverage"**, a **"dependent premises"**.

84. **"Your employees' personal property"** means personal property owned by your officers, directors, partners, **"managers"**, **"members"**, or employees (including leased or temporary employees).

85. **"Your personal property"** means personal property owned by you.

Includes copyrighted material of Insurance Services Office, Inc., with its permission.
Contains copyrighted material of the American Association of Insurance Services.

PPP-0103 (08 15)
Page 19 of 19



Real and Personal Property Coverage Form

Table of Contents

<u>Section</u>	<u>Page No.</u>
Coverage	1
Excluded Causes of Loss	1
Limitations	5
Deductible	6
Valuation	6
Optional Coverage	7

PPP-D110 (08 16)

EXHIBIT 1
Complaint
Page 62 of 192

Exhibit A
Page 85 of 270



Real and Personal Property Coverage Form

A. COVERAGE

We will pay for direct physical loss of or damage to "real property" and "personal property" at a "premises" directly caused by a "covered cause of loss". We will not pay more in any one occurrence than the applicable Limit of Insurance shown on the Declarations for such loss of or damage to Covered Property at that "premises".

B. EXCLUDED CAUSES OF LOSS

1. Artificially Maintained Conditions

We will not pay for loss of or damage to "personal property" caused by or resulting from the loss of or change in any artificially maintained or generated temperature, humidity, or atmosphere. This exclusion applies even if one of these excluded causes of loss was caused by or resulted from an "equipment breakdown cause of loss", "mistake", or "malfunction".

But if a result of one of these excluded causes of loss is a "covered cause of loss", we will pay for that portion of the loss or damage which was solely caused by that "covered cause of loss".

This exclusion does not apply to "electronic data processing hardware" or "duplicate information property".

2. Cracking and Settling

We will not pay for loss or damage caused by or resulting from bulging, cracking, shrinkage, expansion, or settling of "real property" or "personal property". This exclusion applies even if one of these excluded causes of loss was caused by or resulted from a "mistake" or "malfunction".

But if a result of one of these excluded causes of loss is a "covered cause of loss", we will pay for that portion of the loss or damage which was solely caused by that "covered cause of loss".

3. Disappearance or Shortage

We will not pay for loss caused by or resulting from disappearance or shortage disclosed on taking inventory or where there is no physical evidence to show what happened to the property. This exclusion applies even if one of these excluded causes of loss was caused by or resulted from a "mistake" or "malfunction".

4. Dishonest Acts

We will not pay for loss or damage caused by or resulting from fraudulent, dishonest, or criminal acts or omissions, committed by you, your partners, "members", officers, "managers", employees (including leased or temporary employees), directors, trustees, authorized representatives, or anyone else to whom you have entrusted the property for any purpose:

- a. Acting alone or in collusion with others; or
- b. Whether or not occurring during the hours of employment.

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

PPP-0110 (08 16)
Page 1 of 7

EXHIBIT 1
Complaint
Page 63 of 192

Exhibit A
Page 86 of 270

This exclusion applies even if one of these excluded causes of loss was caused by or resulted from a "mistake" or "malfunction".

This exclusion does not apply to:

- a. Acts of vandalism committed by your employees (including leased or temporary employees); or
- b. Carriers for hire or anyone claiming to be a carrier for hire at the time the property is entrusted to them.

5. Earth Movement

We will not pay for loss or damage caused directly or indirectly by "earth movement". Such loss or damage is excluded regardless of any other cause or event, including a "mistake", "malfunction", or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered. But if "earth movement" results in fire, explosion, theft or sprinkler leakage, we will pay for that portion of the loss or damage which was solely caused by that fire, explosion, theft or sprinkler leakage.

6. Electronic Vandalism

We will not pay for loss or damage caused by or resulting from "electronic vandalism".

This exclusion applies even if the "electronic vandalism" was caused by or resulted from a "mistake" or "malfunction".

7. Expected, Preventable, or Accumulated Losses

We will not pay for loss or damage caused by or resulting from:

- a. Wear and tear;
- b. Smoke, vapor, or gas from agricultural smudging or industrial operations;
- c. Smog;
- d. Rust or other corrosion, decay, deterioration, fading, hidden or latent defect, or any quality of the property that causes it to damage or destroy itself;
- e. Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents, or other animals; or
- f. Inherent vice.

Such loss or damage is excluded regardless of any other cause or event, including a "mistake", "malfunction", or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

But if a result of one of these excluded causes of loss is a "covered cause of loss", we will pay for that portion of the loss or damage which was solely caused by that "covered cause of loss".

8. Flood

We will not pay for loss or damage caused directly or indirectly by "flood". Such loss or damage is excluded regardless of any other cause or event, including a "mistake", "malfunction", or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered. But if "flood" results in fire, explosion, or theft, we will pay for that portion of the loss or damage which was solely caused by that fire, explosion, or theft.

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

PPP-0110 (08/16)
Page 2 of 7

9. Governmental Action

We will not pay for loss or damage caused directly or indirectly by any seizure, confiscation, expropriation, nationalization, or destruction of property by order of governmental authority. Such loss or damage is excluded regardless of any other cause or event, including a "mistake", "malfunction", or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

This exclusion does not apply to:

- a. Seizure or destruction of property by order of governmental authority and taken at the time of fire to prevent its spread; or
- b. Demolition orders issued pursuant to any ordinance or law in effect at the time of loss or damage regulating construction, use, or repair of any property; provided such demolition order has become legally enforceable as a result of physical damage to:

1) Covered "real property"; or

2) Covered "personal property";

directly caused by a "covered cause of loss".

However, this exception does not apply to demolition orders issued pursuant to any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of, "pollutants" or "microorganisms".

10. Impact Damage

We will not pay for loss or damage caused by or resulting from water, including water pressure, ice, or impact of watercraft to buildings or structures located on or partially over water, including retaining walls, bulkheads, piers, wharves, docks, or any other property located on those structures. This exclusion applies even if one of these excluded causes of loss was caused by or resulted from a "mistake" or "malfunction".

11. Loss of Market or Delay

We will not pay for loss or damage caused by or resulting from loss of market, loss of use, or delay. This exclusion applies even if one of these excluded causes of loss was caused by or resulted from a "mistake" or "malfunction".

12. Microorganisms

We will not pay for loss or damage consisting of, directly or indirectly caused by, contributed to, or aggravated by the presence, growth, proliferation, spread, or any activity of "microorganisms", unless resulting from fire or lightning. Such loss or damage is excluded regardless of any other cause or event, including a "mistake", "malfunction", or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

But if a result of one of these excluded causes of loss is a "specified cause of loss", other than fire or lightning, we will pay that portion of the loss or damage which was solely caused by that "specified cause of loss".

We will also not pay for loss, cost, or expense arising out of any request, demand, order, or statutory or regulatory requirement that requires any insured or others to test for, monitor, clean up, remove, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of "microorganisms".

13. Nuclear Hazard

We will not pay for loss or damage caused directly or indirectly by nuclear reaction or radiation, or radioactive contamination, however caused. Such loss or damage is excluded regardless of any other cause or event, including a "mistake" or "malfunction", that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered. But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for that portion of the loss or damage which was solely caused by that fire.

14. Off-Premises Service Interruption

We will not pay for loss or damage caused by or resulting from any "off-premises service interruption". Such loss or damage is excluded regardless of any other cause or event, including a "mistake", "malfunction", or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

But if a result of this excluded cause of loss is a "covered cause of loss", we will pay for that portion of the loss or damage which was solely caused by that "covered cause of loss".

This exclusion does not apply to "electronic data processing hardware" or "duplicate information property".

15. Pollutants

We will not pay for loss or damage caused by or resulting from the discharge, dispersal, seepage, migration, release, or escape of "pollutants". But, if the discharge, dispersal, seepage, migration, release, or escape is caused by a "specified cause of loss", we will pay only for that portion of the loss or damage solely caused by that "specified cause of loss".

We will also not pay for loss, cost, or expense arising out of any request, demand, order, or statutory or regulatory requirement that requires any insured or others to test for, monitor, clean up, remove, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of "pollutants".

This exclusion does not apply to "electronic data processing hardware" or "duplicate information property".

16. Process Failures, Defects, or Errors

We will not pay for any of the following:

- a. Loss or damage due to spoilage, destruction, adulteration, discard, reduction in value, or any other loss or damage to "stock" caused by or resulting from a "mistake" or "malfunction" in the alteration, calibration, development, distribution, installation, manufacturing, maintenance, processing, repair, research, or testing of such "stock".
- b. Loss or damage, including the costs of correcting or making good, caused by or resulting from:
 - 1) A "mistake" in planning, zoning, development, surveying, siting;
 - 2) A "mistake" in design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - 3) A "mistake" in materials used in repair, construction, renovation, or remodeling; or
 - 4) Insufficient or failure of maintenance or servicing,of part or all of any property on or off a "premises".

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

PPP-0110 (08 16)
Page 4 of 7

But if a result of one of these excluded causes of loss is a "covered cause of loss", we will pay for that portion of the loss or damage which was solely caused by that "covered cause of loss".

- c. Loss or damage, including the costs of correcting or making good, caused by or resulting from incorporating "defective materials" into part or all of any property on or off a "premises".

But if a result of this excluded cause of loss is a "covered cause of loss", we will pay for that portion of the loss or damage which was solely caused by that "covered cause of loss".

- d. Loss of or damage to machinery or equipment while undergoing a pressure or electrical test. This exclusion applies even if this excluded cause of loss was caused by or resulted from an "equipment breakdown cause of loss", "mistake", or "malfunction".

But if a result of this excluded cause of loss is a "covered cause of loss", we will pay for that portion of the loss or damage which was solely caused by that "covered cause of loss".

17. Suspended Equipment

We will not pay for loss or damage caused by or resulting from an "equipment breakdown cause of loss" to "suspended equipment". This exclusion applies even if this excluded cause of loss was caused by or resulted from a "mistake" or "malfunction".

But if a result of this excluded cause of loss is a "covered cause of loss", we will pay for that portion of the loss or damage which was solely caused by that "covered cause of loss".

18. War and Military Action

We will not pay for loss or damage arising, directly or indirectly, out of:

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority by hindering or defending against any of these.

Such loss or damage is excluded regardless of any other cause or event, including a "mistake" or "malfunction", that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

C. LIMITATIONS

- 1. The following types of property are covered only up to the Limits of Insurance shown below in any one occurrence for loss or damage due to theft:
 - a. \$2,500 for furs, fur garments, and garments trimmed with fur.
 - b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum, and other precious alloys or metals.

This limit does not apply to:

- 1) Jewelry or watches worth \$100 or less per item; or
- 2) Precious or semiprecious stones or metals used for industrial purposes.

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

PPP-0110 (08 16)
Page 5 of 7

- c. \$250 for lottery tickets held for sale.

These Limits of Insurance are included in, and not in addition to, any other applicable Limits of Insurance.

- 2. We will pay for direct physical loss of or damage to "green roofing systems" directly caused by a "covered cause of loss" other than loss or damage caused by or resulting from:
 - a. Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents, or other animals;
 - b. Disease;
 - c. Changes in or extremes of temperature;
 - d. Dampness or dryness of atmosphere or of soil supporting the vegetation; or
 - e. Rain, snow, hail, ice, or sleet.

D. DEDUCTIBLE

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the applicable Deductibles shown on the Declarations. We will then pay the amount of loss or damage in excess of the Deductibles, up to the applicable Limits of Insurance.

E. VALUATION

We will determine the amount of covered loss or damage as follows:

- 1. Except as provided in 2., 3., 4., 5., 6., and 7. below, the lesser of the following amounts:
 - a. The "replacement cost"; or
 - b. The "amount you actually spend" to repair, rebuild, or replace the "real property" or "personal property" at the same or another location.
- 2. Except as provided in 3., 5., 6., and 7. below, "real property" or "personal property", other than "improvements and betterments", which is not repaired, rebuilt, or replaced will be valued at the "actual cash value" at the time and place of loss or damage. If you commence the repair, rebuilding, or replacement of the lost or damaged "real property" or "personal property" within 24 months from the date the loss or damage occurred, upon completion of the repair, rebuilding, or replacement, we will pay you the difference between the "actual cash value" previously paid and the "replacement cost" at the time of loss or damage.
- 3. "Merchandise" which has been sold but not delivered and "finished stock" at the regular cash selling price, less any discounts and expenses you otherwise would have had.
- 4. "Stock in process" at the value of "raw stock", your labor expended, and your materials incorporated plus the proper proportion of your overhead charges, calculated in accordance with principles of Direct Costing. In no event will overhead be calculated in accordance with the principles of Absorption Costing.
- 5. "Improvements and betterments" at:
 - a. The "replacement cost" if you make repairs with reasonable speed.
 - b. A proportion of your original cost if you do not make repairs with reasonable speed. We will determine the proportionate value as follows:

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

PPP-0110 (08 16)
Page 6 of 7

EXHIBIT 1
Complaint
Page 68 of 192

Exhibit A
Page 91 of 270

1) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease;
and

2) Divide the amount determined in 1) above by the number of days from the installation of "improvements and betterments" to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will be used as the expiration of the lease.

c. That portion which has not been paid if others pay for repairs, rebuilding, or replacement.

6. "Personal property" which has been permanently removed from service at "actual cash value".

7. "Duplicate information property" at the lesser of:

a. The cost to purchase a duplicate copy, if a duplicate copy exists and is available for sale; or

b. The cost of blank materials, plus any cost incurred to copy data onto blank materials from a duplicate source on the same type of materials, provided such copying does not violate licensing or contract agreements.

F. OPTIONAL COVERAGE

Margin Clause

If Margin Clause is shown on the Declarations, we will not pay more than the lesser of the following:

1. The amount of covered loss or damage at the "premises"; or

2. The percentage applied to the applicable Limit of Insurance for such property at the "premises".

The most we will pay is the applicable percentage shown on the Declarations for Margin Clause. However, in no event will we pay more than \$5,000,000 over the applicable Limits of Insurance shown on the Declarations for that "premises".

This Optional Coverage for "real property" or "personal property" does not apply to:

1. Any Limit of Insurance applicable to more than one "premises"; or

2. Any other Limit of Insurance applicable for which a specific coverage Limit of Insurance is provided.

Additional Coverages Form



Table of Contents

<u>Section</u>	<u>Page No.</u>
Additional Coverages	1
Consequential Loss--Net Leasehold Interest	1
Consequential Loss--Tenant's Improvements and Betterments	2
Consequential Loss--Undamaged Stock	2
Contamination by a Refrigerant	2
Debris Removal	3
Deferred Payments	3
Electronic Vandalism--Direct Damage	4
Expediting Expense	4
Fairs or Exhibitions	4
Fire Department Service Charge	4
Fire Protective Equipment Refills	5
Inflation Guard	5
Lock and Key Replacement	5
Microorganisms	6
Newly Acquired Premises	6
Newly Acquired Property	6
Off-Premises Service Interruption--Direct Damage	7
Outdoor Trees, Shrubs, Plants, or Lawns	7
Pollutant Clean Up and Removal--Land and Water	8
Preservation of Property	8
Professional Fees	8

<u>Section</u>	<u>Page No.</u>
Reported Unscheduled Premises	8
Reward Payments.....	9
Salespersons Samples	9
Spillage—Equipment Breakdown.....	9
Theft Damage to Buildings.....	9
Unreported Premises	10
Deductible	10



Additional Coverages Form

A. ADDITIONAL COVERAGES

The following are Additional Coverages to coverages set forth in this Commercial Property Coverage Part. If you have not chosen a coverage elsewhere in this Commercial Property Coverage Part, there is no coverage under its corresponding Additional Coverages. For example, if you do not have coverage for "stock" under the REAL AND PERSONAL PROPERTY COVERAGE FORM, you will not have coverage related to "stock" under the Consequential Loss--Undamaged Stock Additional Coverage, or any other Additional Coverage for "stock".

Each of the following Additional Coverages apply independently of one another. Unless otherwise stated, the excluded causes of loss, exclusions, terms, and conditions in the applicable Coverage Forms apply to these Additional Coverages.

The most we will pay for loss, damage, cost, or expense under any of the following Additional Coverages are the Limits of Insurance shown on the Declarations. Limits for these Additional Coverages apply in addition to any other applicable policy limits, unless otherwise stated.

1. Consequential Loss--Net Leasehold Interest

We will pay for the loss of "net leasehold interest" you sustain when your lease is cancelled:

- a. By the lessor; and
- b. As a result of a valid condition of your lease,

due to direct physical loss of or damage to "real property" or "personal property" directly caused by a "covered cause of loss" at a "premises" or "reported unscheduled premises". We will not pay more than the "net leasehold interest" at the time of the cancellation of the lease. However, if your lease is cancelled and your landlord lets you continue to use the "premises" or "reported unscheduled premises" under a new lease, we will not pay more than:

- a. The rent you will pay under the new lease; minus
- b. The rent you were paying at the time of cancellation.

We will not pay under this Additional Coverage if the "premises" or "reported unscheduled premises" where the lease is cancelled had been vacant for more than 60 consecutive days prior to the loss or damage unless you had entered into an agreement to sublease the "premises" or "reported unscheduled premises".

The most we will pay under this Additional Coverage at any one "premises" or "reported unscheduled premises" is the Limit of Insurance shown on the Declarations for Consequential Loss--Net Leasehold Interest.

The Limit for this Additional Coverage is included in, and not in addition to, any other applicable Limits of Insurance.

Includes copyrighted material of Insurance Services Office, Inc., with its permission

PPP-0111 (03/14)
Page 1 of 10

EXHIBIT 1
Complaint
Page 72 of 192

Exhibit A
Page 95 of 270

2. Consequential Loss--Tenant's Improvements and Betterments

We will pay for the value of undamaged "Improvements and betterments" when your lease is cancelled:

- a. By the lessor; and
- b. As a result of a valid condition of your lease,

due to direct physical loss of or damage to "real property" or "personal property" directly caused by a "covered cause of loss" at a "premises" or "reported unscheduled premises".

If you rent an entire building, we will pay only if:

- a. At least 25% of the area of that entire building has been damaged; or
- b. A minimum of 6 months remains in your current lease and at least 6 months is required to repair the building for your occupancy.

If you rent a portion of a building, we will only pay if:

- a. A minimum of 6 months remains in your lease; and
- b. At least 6 months is required to repair the building for your occupancy.

The most we will pay under this Additional Coverage at any one "premises" or "reported unscheduled premises" is the Limit of Insurance shown on the Declarations for Consequential Loss--Tenant's Improvements and Betterments.

The Limit for this Additional Coverage is included in, and not in addition to, any other applicable Limits of Insurance.

3. Consequential Loss--Undamaged Stock

We will pay for the consequential loss in value of undamaged "stock" which has become unmarketable as a complete product because of direct physical loss of or damage to other "stock" directly caused by a "covered cause of loss".

The most we will pay under this Additional Coverage at any one "premises" or "reported unscheduled premises" is the Limit of Insurance shown on the Declarations for Consequential Loss--Undamaged Stock.

The Limit for this Additional Coverage is included in, and not in addition to, any other applicable Limits of Insurance.

4. Contamination by a Refrigerant

We will pay for direct physical loss of or damage to "stock" caused by the release or escape of refrigerants from any equipment located at a "premises" or "reported unscheduled premises" provided the release or escape was not caused by or resulted from "flood" or "earth movement".

The most we will pay under this Additional Coverage at any one "premises" or "reported unscheduled premises" is the Limit of Insurance shown on the Declarations for Contamination by a Refrigerant.

The Limit for this Additional Coverage is included in, and not in addition to, any other applicable Limits of Insurance.

5. Debris Removal

- a. We will pay your expense to remove debris of Covered Property, for which a Limit of Insurance is shown on the Declarations, remaining after a "covered cause of loss". The most we will pay under this Additional Coverage for Debris Removal is the remaining applicable Limit of Insurance for the Covered Property shown on the Declarations after payment of the covered physical loss or damage.

If the total of the loss or damage and debris removal expense exceeds the applicable Limit of Insurance, we will pay the remaining debris removal expenses. The most we will pay under this Additional Coverage in any one occurrence is the Limit of Insurance shown on the Declarations for Debris Removal--Supplemental Limit.

- b. If wind causes direct physical loss of or damage to Covered Property, we will also pay for the expenses you incur to remove debris of uncovered property that is blown on to the "premises" or "reported unscheduled premises" by wind and to remove debris of "outdoor trees, shrubs, plants, or lawns" damaged by wind.

The most we will pay under this Additional Coverage in any one occurrence is the Limit of Insurance shown on the Declarations for Debris Removal--Uncovered Property.

In no event will there be any coverage under this Debris Removal Additional Coverage for any costs to:

- a. Extract "pollutants" from land or water; or
b. Remove, restore, or replace polluted land or water.

The expenses will be paid only if they are reported to us in writing within 180 days of the date of loss or damage.

6. Deferred Payments

We will pay your financial interest in "personal property" that suffers direct physical loss or damage directly caused by a "covered cause of loss" after delivery to buyers and sold by you on a conditional sale or trust agreement, or any installment or deferred payment plan.

This Additional Coverage does not apply to default of such agreement or plan by the buyer.

We will determine the amount of covered loss or damage as follows:

- a. In the event of a total loss and the buyer refuses to continue payment, coverage will be valued based on the amount shown on your books as due from the buyer;
b. In the event of partial loss or damage and the buyer refuses to continue payment, forcing you to repossess, coverage will be valued as follows:

If the realized value of the repossessed "personal property" is:

- 1) Greater than or equal to the amount shown on your books as due from the buyer, we will make no payment; or
2) Less than the amount shown on your books as due from the buyer, we will pay the difference, less any amount that was past due at the time of loss by more than 30 days; and
c. When a loss occurs and the buyer continues to pay you, there will be no loss payment.

Includes copyrighted material of Insurance Services Office, Inc., with its permission

PPP-0111 (03/14)
Page 3 of 10

The most we will pay under this Additional Coverage in any one occurrence is the Limit of Insurance shown on the Declarations for Deferred Payments.

The Limit for this Additional Coverage is included in, and not in addition to, any other applicable Limits of Insurance.

7. Electronic Vandalism--Direct Damage

We will pay for loss of or damage to "accounts receivable records", "duplicate information property", "electronic data processing hardware", "original information property" or "research and development property" caused by "electronic vandalism".

The most we will pay under this Additional Coverage in any one policy year is the Annual Aggregate Limit of Insurance shown on the Declarations for Electronic Vandalism--Direct Damage.

The Limit for this Additional Coverage is included in, and not in addition to, any other applicable Limits of Insurance.

8. Expediting Expense

In the event of covered loss of or damage to "real property" or "personal property" at a "premises" or "reported unscheduled premises" directly caused by a "covered cause of loss", we will pay reasonable and necessary additional expenses you incur for temporary repair of damage to such "real property" or "personal property" and the additional expenses you incur for expediting the permanent repair or replacement of such damaged property. This Additional Coverage does not include expenses recoverable elsewhere in this Commercial Property Coverage Part.

The most we will pay under this Additional Coverage at any one "premises" or "reported unscheduled premises" is the Limit of Insurance shown on the Declarations for Expediting Expense.

9. Fairs or Exhibitions

We will pay for direct physical loss of or damage to "personal property":

- a. At fairs or exhibitions; and
 - b. In transit to or from fairs or exhibitions,
- directly caused by a "covered cause of loss".

The most we will pay under this Additional Coverage in any one occurrence is the Limit of Insurance shown on the Declarations for Fairs or Exhibitions--Personal Property.

The Limit for this Additional Coverage is included in, and not in addition to, any other applicable Limits of Insurance.

10. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a "covered cause of loss" at a "premises" or "reported unscheduled premises", we will pay for your liability for the fire department service charges:

- a. Assumed by contract or agreement prior to loss; or
- b. Required by local ordinance, law, or statute.

Includes copyrighted material of Insurance Services Office, Inc., with its permission

PPP-0111 (03/14)
Page 4 of 10

We will also pay for those costs incurred by your fire brigade to save or protect Covered Property from a fire, but not including the costs to refill fire protective equipment.

The most we will pay under this Additional Coverage at any one "premises" or "reported unscheduled premises" is the Limit of Insurance shown on the Declarations for Fire Department Service Charge.

No deductible applies to this Additional Coverage.

11. Fire Protective Equipment Refills

We will pay the reasonable and necessary costs you incur to refill fire protective equipment which has been discharged:

- a. Accidentally; or
- b. In the course of saving or protecting Covered Property from a "covered cause of loss".

No Limit applies to this Additional Coverage.

12. Inflation Guard

The Limits of Insurance to which the Inflation Guard applies will automatically increase by the annual percentage shown on the Declarations.

The amount of the Increase will be:

- a. The Limit of Insurance that applied on the most recent of this Commercial Property Coverage Part's inception date, anniversary date, or date of any other Commercial Property Coverage Part change amending the Limit of Insurance, multiplied by
- b. The percentage of annual increase shown on the Declarations, expressed as a decimal (Example: 8% is .08), multiplied by
- c. The number of days since the beginning of the most recent Commercial Property Coverage Part year or the effective date of the most recent Commercial Property Coverage Part change amending the Limit of Insurance, divided by 365.

Example:

If:	The applicable Limit of Insurance is	\$100,000
	The annual percentage increase is	8%
	The number of days since the beginning of the Coverage Part Year (or last Coverage Part change) is	146
Then:	The amount of increase is $\$100,000 \times .08 \times 146 / 365 =$	\$ 3,200
	The available Limit of Insurance is	\$103,200

13. Lock and Key Replacement

We will pay the reasonable cost of:

- a. Entry key replacement if keys to a "premises" or "reported unscheduled premises" are stolen; or
- b. Entry lock repair or replacement made necessary by theft or attempted theft at a "premises" or "reported unscheduled premises".

Includes copyrighted material of Insurance Services Office, Inc., with its permission

PPP-0111 (03 14)
Page 6 of 10

The most we will pay under this Additional Coverage at any one "premises" or "reported unscheduled premises" is the Limit of Insurance shown on the Declarations for Lock and Key Replacement.

The Limit for this Additional Coverage is included in, and not in addition to, any other applicable Limits of Insurance.

14. Microorganisms

We will pay the following when "microorganisms" are the result of a "covered cause of loss", other than fire or lightning:

- a. Direct physical loss of or damage to Covered Property caused by "microorganisms", including the cost of removal of the "microorganisms";
- b. The reasonable cost to tear out and replace any part of the covered building or other property needed to gain access to the "microorganisms"; and
- c. The reasonable cost of testing performed after removal, repair, replacement, or restoration of the damaged property is completed, provided there is a reason to believe that the "microorganisms" are still present.

The most we will pay under this Additional Coverage in any one policy year is the Annual Aggregate Limit of Insurance shown on the Declarations for Microorganisms. Regardless of the number of claims, this Limit is the most we will pay for the total of all loss, damage, or cost, even if the "microorganisms" continue to be present, active, or recur.

The Limit for this Additional Coverage is included in, and not in addition to, any other applicable Limits of Insurance.

15. Newly Acquired Premises

We will pay for direct physical loss of or damage to "real property" or "personal property" at a "newly acquired premises" directly caused by a "covered cause of loss".

This Additional Coverage will automatically expire on the earliest of the following dates:

- a. The date you report the "newly acquired premises" to us;
- b. The number of days shown on the Declarations from the date the location becomes a "newly acquired premises"; or
- c. The date this policy expires or is cancelled.

We will charge you additional premium for values reported from the date the location becomes a "newly acquired premises".

The most we will pay under this Additional Coverage at any one "newly acquired premises" is the applicable Limit of Insurance shown on the Declarations for Newly Acquired Premises.

16. Newly Acquired Property

We will pay for direct physical loss of or damage to:

Includes copyrighted material of Insurance Services Office, Inc., with its permission

PPP-0111 (03/14)
Page 6 of 10

- a. Your newly acquired or constructed "real property" at a "premises" if coverage is not currently shown for "real property" at that "premises" on the Declarations; and
- b. Your newly acquired "personal property" at a "premises" if coverage is not currently shown for "personal property" at that "premises" on the Declarations.

This Additional Coverage will automatically expire on the earliest of the following dates:

- a. The date you report the newly acquired property to us;
- b. The number of days shown on the Declarations from the date construction of "real property" begins or completed "real property" or "personal property" is acquired; or
- c. The date this policy expires or is cancelled.

We will charge you additional premium for values reported from the date construction of "real property" begins or "personal property" or completed "real property" is acquired.

The most we will pay under this Additional Coverage at any one "premises" is the applicable Limit of Insurance shown on the Declarations for Newly Acquired Property.

17. Off-Premises Service Interruption--Direct Damage

We will pay for direct physical loss of or damage to "real property" and "personal property" at a "premises" or "reported unscheduled premises" directly caused by an "off-premises service interruption". The interruption must result from direct physical loss or damage directly caused by a "covered cause of loss" to any property located away from the "premises" or "reported unscheduled premises" and used to provide any of the following services to the "premises" or "reported unscheduled premises":

- a. Water;
- b. Power, including steam and natural gas; or
- c. Communication.

The most we will pay under this Additional Coverage at any one "premises" or "reported unscheduled premises" is the Limit of Insurance shown on the Declarations for Off-Premises Service Interruption--Direct Damage.

The Limit for this Additional Coverage is included in, and not in addition to, any other applicable Limits of Insurance.

18. Outdoor Trees, Shrubs, Plants, or Lawns

We will pay for direct physical loss of or damage to "outdoor trees, shrubs, plants, or lawns" at a "premises" or "reported unscheduled premises" directly caused by:

- a. Fire;
- b. Lightning;
- c. Explosion;
- d. Riot or civil commotion; or
- e. Aircraft.

Includes copyrighted material of Insurance Services Office, Inc., with its permission

PPP-0111 (03/14)
Page 7 of 10

The most we will pay under this Additional Coverage at any one "premises" or "reported unscheduled premises" and for any one tree, shrub, plant, or lawn are the Limits of Insurance shown on the Declarations for Outdoor Trees, Shrubs, Plants, or Lawns.

19. Pollutant Clean Up and Removal—Land and Water

We will pay the reasonable expenses you incur to extract "pollutants" from land or water at a "premises" or "reported unscheduled premises" if the discharge, dispersal, seepage, migration, release, or escape of the "pollutants" is directly caused by a "covered cause of loss".

This Additional Coverage does not apply to the costs to test for, monitor, or assess the existence, concentration, or effects of "pollutants". But we will pay for the reasonable cost of testing performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage at any one "premises" or "reported unscheduled premises" in any one policy year is the Annual Aggregate Limit of Insurance shown on the Declarations for Pollutant Clean Up and Removal—Land and Water.

The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the "covered cause of loss" occurs.

20. Preservation of Property

If Covered Property is removed from a "premises" or "reported unscheduled premises" to preserve it from actual or imminent physical loss or damage caused by a "covered cause of loss":

We will pay for:

- a. Any direct physical loss of or damage to Covered Property while it is being moved to or while stored at another location for up to the number of days shown on the Declarations for Preservation of Property; and
- b. The reasonable cost to remove Covered Property from the "premises" or "reported unscheduled premises".

The Limit for this Additional Coverage is included in, and not in addition to, the applicable Limit of Insurance shown on the Declarations for that Covered Property.

21. Professional Fees

We will reimburse you for the reasonable expenses you incur for professional services for auditors, accountants, architects, or engineers which are necessary to prepare a statement of loss or exhibits required in connection with any loss covered under this Commercial Property Coverage Part. This Additional Coverage does not apply to fees and costs of:

- a. Your employees; or
- b. Attorneys, public adjusters, loss appraisers, or loss consultants.

The most we will pay under this Additional Coverage in any one occurrence is the Limit of Insurance shown on the Declarations for Professional Fees.

22. Reported Unscheduled Premises

We will pay for direct physical loss of or damage to "real property" and "personal property" at a "reported unscheduled premises" directly caused by a "covered cause of loss".

Includes copyrighted material of Insurance Services Office, Inc., with its permission

PPP-0111 (03/14)
Page 8 of 10

The most we will pay under this Additional Coverage at any one "reported unscheduled premises" is the applicable Limit of Insurance shown on the Declarations for Reported Unscheduled Premises.

23. Reward Payments

We will reimburse you for rewards you pay for Information leading to:

- a. The successful return of undamaged stolen Covered Property to you or a law enforcement agency; or
- b. The arrest and conviction of any persons for having damaged or stolen your Covered Property.

The reward payments must be documented.

The most we will pay under this Additional Coverage in any one occurrence is 25% of the covered loss, prior to the application of any applicable deductible and recovery of any Covered Property, up to the Limit of Insurance shown on the Declarations for Reward Payments.

24. Salespersons Samples

We will pay for direct physical loss of or damage to "salespersons samples" in transit while in the custody of a salesperson or at any location, other than a "premises" or "reported unscheduled premises", directly caused by a "covered cause of loss".

The most we will pay under this Additional Coverage in any one occurrence is the Limit of Insurance shown on the Declarations for Salespersons Samples.

The Limit for this Additional Coverage is included in, and not in addition to, any other applicable Limits of Insurance.

25. Spoilage—Equipment Breakdown

We will pay for direct physical loss of or damage to "stock" at a "premises" or "reported unscheduled premises" directly caused by the loss of or changes in any artificially maintained or generated temperature, humidity, or atmosphere resulting from an "equipment breakdown cause of loss" to atmosphere control equipment at the "premises" or "reported unscheduled premises".

The most we will pay under this Additional Coverage at any one "premises" or "reported unscheduled premises" is the Limit of Insurance shown on the Declarations for Spoilage—Equipment Breakdown.

The Limit for this Additional Coverage is included in, and not in addition to, any other applicable Limits of Insurance.

26. Theft Damage to Buildings

We will pay for direct physical loss of or damage to "real property" at a "premises" or "reported unscheduled premises" in which you are a tenant directly caused by theft, burglary, or robbery, provided you are legally obligated to pay for such loss or damage.

The most we will pay under this Additional Coverage is the Limit of Insurance shown on the Declarations for "personal property" at that "premises" or "reported unscheduled premises".

The Limit for this Additional Coverage is included in, and not in addition to, any other applicable Limits of Insurance.

Includes copyrighted material of Insurance Services Office, Inc., with its permission

PPP-0111 (03/14)
Page 9 of 10

27. Unreported Premises

We will pay for direct physical loss of or damage to "real property" and "personal property", other than "salespersons samples" or property in transit, at an "unreported premises" directly caused by a "covered cause of loss".

The most we will pay under this Additional Coverage at any one "unreported premises" is the Limit of Insurance shown on the Declarations for Unreported Premises.

B. DEDUCTIBLE

We will not pay for loss, damage, cost, or expense in any one occurrence until the amount of loss, damage, cost, or expense exceeds the applicable Deductibles shown on the Declarations. We will then pay the amount of loss, damage, cost, or expense in excess of the Deductibles, up to the applicable Limits of Insurance.



Accounts Receivable Coverage Form (Revenue Loss)

Table of Contents

<u>Section</u>	<u>Page No.</u>
Coverages	1
Excluded Causes of Loss	1
Deductible	5
Valuation	5

PPP-0112 (08 18)

EXHIBIT 1
Complaint
Page 82 of 192

Exhibit A
Page 105 of 270



Accounts Receivable Coverage Form (Revenue Loss)

A. COVERAGES

1. Accounts Receivable (Revenue Loss)

We will pay for:

- a. The "money" due you from customers that you are unable to collect;
- b. Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts; and
- c. Collection expenses in excess of your normal collection expenses that are made necessary by the loss or damage;

that result from direct physical loss of or damage to your "accounts receivable records" at a "premises" or "reported unscheduled premises" directly caused by a "covered cause of loss".

The most we will pay under this Marine Coverage at any one "premises" or "reported unscheduled premises" is the Limit of Insurance shown on the Declarations for Accounts Receivable (Revenue Loss).

2. Accounts Receivable (Revenue Loss)—Away From Premises

We will also pay for:

- a. The "money" due you from customers that you are unable to collect;
- b. Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts; and
- c. Collection expenses in excess of your normal collection expenses that are made necessary by the loss or damage;

that result from direct physical loss of or damage to your "accounts receivable records" away from a "premises" or "reported unscheduled premises" directly caused by a "covered cause of loss".

The most we will pay under this Marine Coverage in any one occurrence is the Limit of Insurance shown on the Declarations for Accounts Receivable (Revenue Loss)—Away From Premises.

B. EXCLUDED CAUSES OF LOSS

1. Alteration, Falsification, Concealment, or Destruction

We will not pay for loss or damage caused by or resulting from alteration, falsification, concealment, or destruction of "accounts receivable records" done to conceal the wrongful giving, taking, or withholding of "money", "securities", or other property.

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

PPP-0112 (08 18)
Page 1 of 5

EXHIBIT 1
Complaint
Page 83 of 192

Exhibit A
Page 106 of 270

2. Bookkeeping, Accounting, or Billing Mistakes

We will not pay for loss or damage caused by or resulting from a "mistake" or "malfunction" in bookkeeping, accounting, or billing.

3. Defects or Errors

We will not pay for any of the following:

a. Loss or damage caused by or resulting from a "mistake" in:

- 1) Programming;
- 2) Instructions to a machine; or
- 3) Installation or maintenance of "electronic data processing hardware" or component parts.

But if a result of one of these excluded causes of loss is a "covered cause of loss", we will pay for that portion of the loss or damage which was solely caused by that "covered cause of loss".

b. Loss or damage, including the costs of correcting or making good, caused by or resulting:

- 1) A "mistake" in planning, zoning, development, surveying, siting;
- 2) A "mistake" in design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- 3) A "mistake" in materials used in repair, construction, renovation, or remodeling; or
- 4) Insufficient or failure of maintenance or servicing;

of part or all of any property on or off a "premises" or "reported unscheduled premises".

But if a result of one of these excluded causes of loss is a "covered cause of loss", we will pay for that portion of the loss or damage which was solely caused by that "covered cause of loss".

c. Loss or damage, including the costs of correcting or making good, caused by or resulting from incorporating "defective materials" into part or all of any property on or off a "premises" or "reported unscheduled premises".

But if a result of one of these excluded causes of loss is a "covered cause of loss", we will pay for that portion of the loss or damage which was solely caused by that "covered cause of loss".

4. Disappearance or Shortage

We will not pay for loss caused by or resulting from disappearance or shortage disclosed on taking inventory or where there is no physical evidence to show what happened to the "accounts receivable records". This exclusion applies even if one of these excluded causes of loss was caused by or resulted from a "mistake" or "malfunction".

5. Dishonest Acts

We will not pay for loss or damage caused by or resulting from fraudulent, dishonest, or criminal acts or omissions, committed by you, your partners, "members", officers, "managers", employees (including leased or temporary employees), directors, trustees, authorized representatives, or anyone else to whom you have entrusted the "accounts receivable records" for any purpose:

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

PPP-0112 (08 16)
Page 2 of 5

EXHIBIT 1
Complaint
Page 84 of 192

Exhibit A
Page 107 of 270

- a. Acting alone or in collusion with others; or
- b. Whether or not occurring during the hours of employment.

This exclusion applies even if one of these excluded causes of loss was caused by or resulted from a "mistake" or "malfunction".

This exclusion does not apply to:

- a. Acts of vandalism committed by your employees (including leased or temporary employees); or
- b. Carriers for hire or anyone claiming to be a carrier for hire at the time the property is entrusted to them.

6. Earth Movement

We will not pay for loss or damage caused directly or indirectly by "earth movement". Such loss or damage is excluded regardless of any other cause or event, including a "mistake", "malfunction", or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered. But if "earth movement" results in fire, explosion, theft, or sprinkler leakage we will pay for that portion of the loss or damage which was solely caused by that fire, explosion, theft or sprinkler leakage.

7. Electronic Vandalism

We will not pay for loss or damage caused by or resulting from "electronic vandalism".

This exclusion applies even if the "electronic vandalism" was caused by or resulted from a "mistake" or "malfunction".

8. Expected, Preventable, or Accumulated Losses

We will not pay for loss or damage caused by or resulting from:

- a. Wear and tear;
- b. Smoke, vapor, or gas from agricultural smudging or industrial operations;
- c. Smog;
- d. Rust or other corrosion, decay, deterioration, fading, hidden or latent defect, or any quality of the property that causes it to damage or destroy itself;
- e. Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents, or other animals; or
- f. Inherent vice.

Such loss or damage is excluded regardless of any other cause or event, including a "mistake", "malfunction", or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

But if a result of one of these excluded causes of loss is a "covered cause of loss", we will pay for that portion of the loss or damage which was solely caused by that "covered cause of loss".

9. Flood

We will not pay for loss or damage caused directly or indirectly by "flood". Such loss or damage is excluded regardless of any other cause or event, including a "mistake", "malfunction", or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered. But if "flood" results in fire, explosion, or theft, we will pay for that portion of the loss or damage which was solely caused by that fire, explosion, or theft.

10. Governmental Action

We will not pay for loss or damage caused directly or indirectly by any seizure, confiscation, expropriation, nationalization, or destruction of property by order of governmental authority. Such loss or damage is excluded regardless of any other cause or event, including a "mistake", "malfunction", or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

This exclusion does not apply to acts of destruction of "accounts receivable records" ordered by governmental authority and taken at the time of fire to prevent its spread.

11. Loss of Market or Delay

We will not pay for loss or damage caused by or resulting from loss of market, loss of use, or delay. This exclusion applies even if one of these excluded causes of loss was caused by or resulted from a "mistake" or "malfunction".

12. Microorganisms

We will not pay for loss or damage consisting of, directly or indirectly caused by, contributed to, or aggravated by the presence, growth, proliferation, spread, or any activity of "microorganisms", unless resulting from fire or lightning. Such loss or damage is excluded regardless of any other cause or event, including a "mistake", "malfunction", or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

But if a result of one of these excluded causes of loss is a "specified cause of loss", other than fire or lightning, we will pay that portion of the loss or damage which was solely caused by that "specified cause of loss".

We will also not pay for loss, cost, or expense arising out of any request, demand, order, or statutory or regulatory requirement that requires any insured or others to test for, monitor, clean up, remove, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of "microorganisms".

13. Nuclear Hazard

We will not pay for loss or damage caused directly or indirectly by nuclear reaction or radiation, or radioactive contamination, however caused. Such loss or damage is excluded regardless of any other cause or event, including a "mistake" or "malfunction", that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered. But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for that portion of the loss or damage which was solely caused by that fire.

14. War and Military Action

We will not pay for loss or damage arising, directly or indirectly, out of:

- a. War, including undeclared or civil war;

- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority by hindering or defending against any of these.

Such loss or damage is excluded regardless of any other cause or event, including a "mistake" or "malfunction", that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

C. DEDUCTIBLE

We will not pay for loss, damage, or expense in any one occurrence until the amount of loss, damage, or expense exceeds the applicable Deductibles shown on the Declarations. We will then pay the amount of loss, damage, or expense in excess of the Deductibles, up to the applicable Limits of Insurance.

D. VALUATION

If you cannot accurately establish the amount of accounts receivable outstanding at the time of loss or damage to "accounts receivable records", the following method will be used to determine the amount of covered loss, damage, or expense:

1. Determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurred; and
2. Adjust that total for normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.

The following will be deducted from the total amount of accounts receivable, however that amount is established:

1. The amount of the accounts receivable for which there is no loss or damage;
2. The amount of the accounts receivable that you are able to re-establish or collect;
3. An amount to allow for probable bad debts that you are normally unable to collect; and
4. All unearned interest and service charges.

Crime Coverage Form



Table of Contents

<u>Section</u>	<u>Page No.</u>
Coverages	1
Excluded Causes of Loss	2
Deductible	5
Additional Conditions	6
Valuation	9
Additional Definitions.....	10

EXHIBIT 1
Complaint
Page 88 of 192

Exhibit A
Page 111 of 270



ZURICH

Crime Coverage Form

A. COVERAGES

1. Computer Fraud

We will pay for loss of **"money"** and **"securities"** resulting directly from the use of any computer to fraudulently cause a transfer from inside buildings at a **"premises"**, **"reported unscheduled premises"**, or **"banking premises"**.

The most we will pay under this Crime Coverage in any one **"occurrence"** is the Limit of Insurance shown on the Declarations for Computer Fraud.

2. Employee Theft

We will pay for loss of or damage to **"money"**, **"securities"**, and **"personal property"** resulting directly from **"theft"** committed by an **"employee"**, whether identified or not, acting alone or in collusion with other persons.

The most we will pay under this Crime Coverage in any one **"occurrence"** is the Limit of Insurance shown on the Declarations for Employee Theft.

3. Forgery or Alteration

a. We will pay for loss resulting directly from **"forgery"** or alteration of:

- 1) Checks, drafts, promissory notes, or similar written promises, orders, or directions to pay a sum certain in **"money"** that are:

- a) Made or drawn by or drawn upon you; or
- b) Made or drawn by one acting as your agent;

or that are purported to have been so made or drawn.

With respect to this coverage, a substitute check as defined in the Check Clearing for the 21st Century Act shall be treated the same as the original it replaced.

- 2) Written instruments required in connection with any credit, debit, or charge card issued to you or any **"employee"** for business purposes.

The most we will pay under this Crime Coverage in any one **"occurrence"** is the Limit of Insurance shown on the Declarations for Forgery or Alteration.

- b. If you are sued for refusing to pay any instrument covered in a. above, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount we will pay is in addition to the Limit of Insurance applicable to this coverage.

Includes copyrighted material of Insurance Services Office, Inc., with its permission

PPP-0113 (04/09)
Page 1 of 12

EXHIBIT 1
Complaint
Page 89 of 192

Exhibit A
Page 112 of 270

4. Funds Transfer Fraud

We will pay for loss of "funds" resulting directly from a "fraudulent instruction" directing a financial institution to transfer, pay, or deliver "funds" from your "transfer account".

The most we will pay under this Crime Coverage in any one "occurrence" is the Limit of Insurance shown on the Declarations for Funds Transfer Fraud.

5. Money and Securities—Inside Buildings

We will pay for loss of "money" and "securities" inside buildings at a "premises", "reported unscheduled premises", or "banking premises" resulting directly from "theft", disappearance, or destruction.

The most we will pay under this Crime Coverage in any one "occurrence" is the Limit of Insurance shown on the Declarations for Money and Securities—Inside Buildings.

6. Money and Securities—Outside Buildings

We will pay for loss of "money" and "securities" outside buildings at or away from a "premises", "reported unscheduled premises", or "banking premises" and in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from "theft", disappearance, or destruction.

The most we will pay under this Crime Coverage in any one "occurrence" is the Limit of Insurance shown on the Declarations for Money and Securities—Outside Buildings.

B. EXCLUDED CAUSES OF LOSS

1. Coverage Form Excluded Causes of Loss

The following excluded causes of loss apply to all the coverages contained in this Coverage Form:

a. Acts Committed by You, Your Partners, or Your Members

We will not pay for loss caused by or resulting from "theft" or any other fraudulent, dishonest, or criminal acts or omissions committed by you, or any of your partners or "members", whether acting alone or in collusion with other persons.

b. Acts of Employees, Managers, Directors, Trustees, or Representatives

We will not pay for loss caused by or resulting from "theft" or any other fraudulent, dishonest, or criminal acts or omissions committed by any of your "employees", "managers", directors, trustees, or authorized representatives:

- 1) Whether acting alone or in collusion with other persons; or
- 2) While performing services for you or otherwise;

except when covered under the Employee Theft Coverage.

c. Governmental Action

We will not pay for loss or damage caused directly or indirectly by any seizure, confiscation, expropriation, nationalization, or destruction of property by order of governmental authority.

Includes copyrighted material of Insurance Services Office, Inc., with its permission

PPP-0113 (04/09)
Page 2 of 12

EXHIBIT 1
Complaint
Page 90 of 192

Exhibit A
Page 113 of 270

d. Indirect Loss

We will not pay for loss that is an indirect result of any covered act or "occurrence" including, but not limited to, loss resulting from:

- 1) Your inability to realize income that you would have realized had there been no loss of or damage to "money", "securities", or "personal property".
- 2) Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss or damage covered under this Coverage Form.
- 3) Payment of costs, fees, or other expenses you incur in establishing either the existence or the amount of loss under this Coverage Form.

e. Legal Expenses

We will not pay for expenses incurred by you which are related to any legal action, except with respect to coverage provided under the Forgery or Alteration Coverage.

f. Nuclear Hazard

We will not pay for loss or damage caused directly or indirectly by nuclear reaction or radiation, or radioactive contamination, however caused.

g. War or Military Action

We will not pay for loss or damage, arising directly or indirectly, out of:

- 1) War, including undeclared or civil war;
- 2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
- 3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority by hindering or defending against any of these.

2. Additional Excluded Causes of Loss—Computer Fraud Coverage

The following additional excluded causes of loss apply only with respect to Computer Fraud Coverage:

a. Exchange or Purchases

We will not pay for loss resulting from the giving or surrendering of property in any exchange or purchase.

b. Funds Transfer Fraud

We will not pay for loss resulting from a "fraudulent instruction" directing a financial institution to transfer, pay, or deliver "funds" from your "transfer account".

c. Inventory Shortages

We will not pay for loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

- 1) An inventory computation; or
- 2) A profit and loss computation.

Includes copyrighted material of Insurance Services Office, Inc., with its permission

PPP-0113 (04 09)
Page 3 of 12

d. Voluntary Parting

We will not pay for loss resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with "money" or "securities".

3. Additional Excluded Causes of Loss—Employee Theft Coverage

The following additional excluded causes of loss apply only with respect to Employee Theft Coverage:

a. Employee Cancelled Under Prior Insurance

We will not pay for loss caused by any "employee" of yours, or predecessor in interest of yours, for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation.

b. Inventory Shortages

We will not pay for loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

- 1) An inventory computation; or
- 2) A profit and loss computation.

However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.

c. Trading

We will not pay for loss resulting directly or indirectly from trading, whether in your name or in a genuine or fictitious account.

d. Warehouse Receipts

We will not pay for loss resulting from the fraudulent or dishonest signing, issuing, canceling, or failing to cancel, a warehouse receipt or any papers connected with it.

4. Additional Excluded Causes of Loss—Forgery or Alteration Coverage

The following additional excluded cause of loss applies only with respect to Forgery or Alteration Coverage:

Non-Compliance with Credit, Debit, or Charge Card Issuer's Requirements

We will not pay for loss arising from any credit, debit, or charge card if you have not complied fully with the provisions, conditions, or other terms under which the card was issued.

5. Additional Excluded Causes of Loss—Funds Transfer Fraud Coverage

The following additional excluded cause of loss applies only with respect to Funds Transfer Fraud Coverage:

Computer Fraud

We will not pay for loss resulting from the use of any computer to fraudulently cause a transfer of "money", "securities", or "personal property".

Includes copyrighted material of Insurance Services Office, Inc., with its permission

PPP-0113 (04/09)
Page 4 of 12

EXHIBIT 1
Complaint
Page 92 of 192

Exhibit A
Page 115 of 270

6. Additional Excluded Causes of Loss—Money and Securities Coverage

The following additional excluded causes of loss apply only with respect to Money and Securities—Inside Buildings and Money and Securities—Outside Buildings Coverages:

a. Accounting or Arithmetical Errors or Omissions

We will not pay for loss caused by or resulting from accounting or arithmetical errors or omissions.

b. Exchange or Purchases

We will not pay for loss resulting from the giving or surrendering of property in any exchange or purchase.

c. Money Operated Devices

We will not pay for loss of "money" and "securities" contained in any money-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

d. Transfer or Surrender of Money and Securities

We will not pay for loss of "money" and "securities" after it has been transferred or surrendered to a person or place outside the building at or away from a "premises", "reported unscheduled premises", or "banking premises".

- 1) On the basis of unauthorized instructions;
- 2) As a result of a threat to do bodily harm to any person; or
- 3) As a result of a threat to do damage to any property.

This exclusion does not apply to loss of "money" or "securities" while outside the building at or away from a "premises", "reported unscheduled premises", or "banking premises"; or in the care and custody of a "messenger" if you:

- 1) Had no knowledge of any threat at the time the conveyance began; or
- 2) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.

e. Voluntary Parting

We will not pay for loss resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with "money" or "securities".

C. DEDUCTIBLE

We will not pay for loss or damage in any one "occurrence" until the amount of loss or damage exceeds the applicable Deductibles shown on the Declarations. We will then pay the amount of loss or damage in excess of the Deductibles, up to the applicable Limits of Insurance.

With respect to Forgery or Alteration Coverage, the Deductible shown on the Declarations does not apply to legal expenses paid.

D. ADDITIONAL CONDITIONS

1. Additional Conditions—Coverage Form

The following conditions apply in addition to the **COMMERCIAL PROPERTY CONDITIONS** and the **COMMON POLICY CONDITIONS** and apply to all the coverages in this Coverage Form:

a. Cancellation as to Any Employee

This insurance is cancelled as to any "employee":

- 1) Immediately upon discovery by you or any of your partners, "members", "managers", officers, directors, or trustees not in collusion with the "employee" of "theft" or any other dishonest act committed by the "employee" whether before or after becoming employed by you.
- 2) On the date specified in a notice mailed to the first Named Insured. That date will be at least 30 days after the date of mailing.

We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

b. Consolidation—Merger

If through consolidation or merger with, or purchase or acquisition of assets or liabilities of, some other entity, any additional persons become "employees" or you acquire the use and control of any "newly acquired premises":

- 1) You must give us written notice and obtain our written consent to extend this insurance to such additional "employees" or "newly acquired premises". We may condition our consent upon payment of an additional premium; but
- 2) For the number of days shown on the Declarations for Newly Acquired Premises after the effective date of such consolidation, merger, or purchase or acquisition of assets or liabilities, or the date this policy expires, any insurance afforded for "employees" or "newly acquired premises" also applies to these additional "employees" or "newly acquired premises" for acts committed or events occurring within this period.

c. Discovery

- 1) We will pay for loss that you sustain through acts committed or events occurring at any time and discovered by you:
 - a) During the policy period shown on the Declarations; or
 - b) During the period of time provided in the Extended Period to Discover Loss Condition below.
- 2) Discovery of loss occurs when you first become aware of facts which would cause a reasonable person to assume that a loss covered by this Coverage Form has been or will be incurred, even though the exact amount or details of loss may not then be known.

Discovery also occurs when you receive notice of an actual or potential claim against you alleging facts that if true would constitute a covered loss under this Coverage Form.

d. Employee Benefit Plans

- 1) The "employee benefit plan" shown on the Declarations (Plan) is included as an Insured under the Employee Theft Coverage.

Includes copyrighted material of Insurance Services Office, Inc., with its permission

PPP-0113 (04 09)
Page 6 of 12

2) If any "employee benefit plan" is insured jointly with any other entity under this Coverage Form, you or the Plan Administrator must select a Limit of Insurance for Employee Theft Coverage that is sufficient to provide a Limit of Insurance for each Plan that is at least equal to that required if each Plan were separately insured.

3) With respect to losses sustained or discovered by any such Plan, the Employee Theft Coverage is replaced by the following:

We will pay for loss of or damage to "funds" and other property resulting directly from fraudulent or dishonest acts committed by an "employee"; whether identified or not, acting alone or in collusion with other persons.

If a Blanket Excess Limit of Insurance is shown on the Declarations, that limit applies only to loss caused by or involving an "employee" of the "employee benefit plan" for which the Blanket Excess Limit of Insurance is shown. That Blanket Excess Limit of Insurance applies to that part of any loss that exceeds, and applies in addition to, the Limit of Insurance shown on the Declarations for Employee Theft.

4) If the first Named Insured is an entity other than a Plan, any payment we make for loss sustained by any Plan will be made to the Plan sustaining the loss.

5) If two or more Plans are insured under this Coverage Form, any payment we make for loss:

a) Sustained by two or more Plans; or

b) Of commingled "funds" or other property of two or more Plans;

resulting directly from an "occurrence", will be made to each Plan sustaining loss in the proportion that the Limit of Insurance required for each Plan bears to the total of those Limits of Insurance of all Plans sustaining loss.

6) The Deductible otherwise applicable to Employee Theft Coverage does not apply to loss sustained by any Plan.

7) If, at the inception of this policy, you have a Limit of Insurance for your Plans that is equal to or greater than the Limit of Insurance required under ERISA, we agree to automatically increase the Limit of Insurance for the Plan or Plans scheduled on the Declarations, subject to the Non-Cumulation of Limit of Insurance Condition below, so that the Limit of Insurance equals the amount required under ERISA at the time you discover a loss. However, in no event shall the increase under this provision exceed 10% of the total Plan's asset value or the maximum per Plan Limit of Insurance of \$500,000, whichever is less.

e. Extended Period to Discover Loss

1) We will pay for loss that you sustained prior to the effective date of termination or cancellation of this insurance, which is discovered by you:

a) No later than 60 days from the date of that termination or cancellation; and

b) As respects any "employee benefit plan", no later than 1 year from the date of that termination or cancellation.

2) However, this extended period to discover loss terminates immediately upon the effective date of any other insurance obtained by you replacing in whole or in part the insurance afforded by this Coverage Form, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

f. Non-Cumulation of Limit of Insurance

Regardless of the number of years this Coverage Form remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or policy period to policy period.

g. Ownership of Property; Interests Covered

The Covered Property under this Coverage Form is limited to property:

- 1) That you own or lease; or
- 2) That you hold for others.

2. Additional Condition—Computer Fraud Coverage

The following additional condition applies only with respect to Computer Fraud Coverage:

Territory

The Policy Period, Coverage Territory Condition in the COMMERCIAL PROPERTY CONDITIONS applies except as modified below:

With respect to Computer Fraud Coverage, coverage applies anywhere in the world.

3. Additional Condition—Employee Theft Coverage

The following additional condition applies only with respect to Employee Theft Coverage:

Territory

The Policy Period, Coverage Territory Condition in the COMMERCIAL PROPERTY CONDITIONS applies except as modified below:

With respect to Employee Theft Coverage, coverage applies anywhere in the world while an "employee" is temporarily outside the coverage territory for a period of not more than 90 days.

4. Additional Conditions—Forgery or Alteration Coverage

The following additional conditions apply only with respect to Forgery or Alteration Coverage:

a. Duties in the Event of Loss

The Duties in the Event of Loss or Damage Condition in the COMMERCIAL PROPERTY CONDITIONS applies except as modified below:

With respect to Forgery or Alteration Coverage, you must include with your proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss.

b. Electronic and Mechanical Signatures

With respect to Forgery and Alteration Coverage, we will treat signatures that are produced or reproduced electronically, mechanically, or by other means the same as handwritten signatures.

c. Territory

The Policy Period, Coverage Territory Condition in the COMMERCIAL PROPERTY CONDITIONS applies except as modified below:

With respect to Forgery or Alteration Coverage, coverage applies anywhere in the world.

Includes copyrighted material of Insurance Services Office, Inc., with its permission

PPP-0113 (04 09)
Page 8 of 12

EXHIBIT 1
Complaint
Page 96 of 192

Exhibit A
Page 119 of 270

E. VALUATION

We will determine the amount of covered loss or damage as follows:

1. Except as provided in 2., 3., 4., 5., 6., 7., and 8. below, the lesser of the following amounts:
 - a. The **"replacement cost"**; or
 - b. The **"amount you actually spend"** to repair, rebuild, or replace the **"real property"** or **"personal property"** at the same or another location.
2. Except as provided in 3., 5., and 6. below, **"personal property"** or other property which is not repaired, rebuilt, or replaced will be valued at the **"actual cash value"** at the time and place of loss or damage. If you commence the repair, rebuilding, or replacement of the lost or damaged **"personal property"** or other property within 24 months from the date the loss or damage occurred, upon completion of the repair, rebuilding, or replacement we will pay you the difference between the **"actual cash value"** previously paid and the **"replacement cost"** at the time of loss or damage.
3. **"Merchandise"** and **"finished stock"** at the regular cash selling price, less any discounts and expenses you otherwise would have had.
4. **"Stock in process"** at the value of **"raw stock"**, your labor expended, and your materials incorporated plus the proper proportion of your overhead charges, calculated in accordance with principles of Direct Costing. In no event will overhead be calculated in accordance with the principles of Absorption Costing.
5. **"Personal property"** and other property which has been permanently removed from service at **"actual cash value"**.
6. **"Duplicate information property"** at the lesser of:
 - a. The cost to purchase a duplicate copy, if a duplicate copy exists and is available for sale; or
 - b. The cost of blank materials, plus any cost incurred to copy data onto blank materials from a duplicate source on the same type of materials, provided such copying does not violate licensing or contract agreements.
7. Loss of **"money"** but only up to and including its face value. We may, at our option, pay for loss of **"money"** issued by any country other than the United States of America:
 - a. At face value in the **"money"** issued by that country; or
 - b. In the United States of America dollar equivalent determined by the rate of exchange published in The Wall Street Journal on the day the loss was discovered.
8. Loss of **"securities"** but only up to and including their value at the close of business on the day the loss was discovered. We may, at our option:
 - a. Pay the market value of such **"securities"** or replace them in kind, in which event you must assign to us all your rights, title, and interest in and to those **"securities"**; or
 - b. Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the **"securities"**. However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:
 - 1) Market value of the **"securities"** at the close of business on the day the loss was discovered; or
 - 2) The Limit of Insurance shown on the Declarations.

Includes copyrighted material of Insurance Services Office, Inc., with its permission

PPP-0113 (04 09)
Page 9 of 12

EXHIBIT 1
Complaint
Page 97 of 192

Exhibit A
Page 120 of 270

F. ADDITIONAL DEFINITIONS

With respect to this Coverage Form, the following definitions apply in addition to the COMMERCIAL PROPERTY DEFINITIONS:

1. "Employee" means:

a. Any natural person:

- 1) While in your service and for the first 30 days after termination of service immediately after termination of service, unless such termination is due to "theft" or any other dishonest act

committed by the "employee";

- 2) Who you compensate directly by salary, wages, or commissions; and

- 3) Who you have the right to direct and control while performing services for you;

b. Any natural person who is furnished temporarily to you:

- 1) To substitute for a permanent "employee" as defined in a. above, who is on leave; or

- 2) To meet seasonal or short-term work load conditions;

while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the "premises";

c. Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary "employee" as defined in b. above;

d. Any natural person who is:

- 1) A trustee, officer, employee, administrator, or manager, except an administrator or manager who is an independent contractor, of any "employee benefit plan" insured under this Coverage Form; and

- 2) A director or trustee while that person is handling "funds" or other property of any "employee benefit plan".

e. Any natural person who is a former "employee", director, partner, "member", "manager", representative, or trustee retained as a consultant while performing services for you; or

f. Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the "premises".

"Employee" does not mean:

a. Any agent, broker, factor, commission merchant, consignee, independent contractor, or representative of the same general character; or

b. Any "manager", director, or trustee except while performing acts coming within the scope of the usual duties of an "employee".

2. "Employee benefit plan" means any welfare or pension benefit plan shown on the Declarations that you sponsor and which is subject to the Employee Retirement Income Security Act of 1974 (ERISA), and any amendments thereto.

3. **"Forgery"** means the signing of the name of another person or organization with the intent to deceive. It does not mean a signature that consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.
4. **"Fraudulent instruction"** means:
- a. An electronic, telegraphic, cable, teletype, telefacsimile, or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;
 - b. A written instruction, other than those described in the Forgery or Alteration Coverage, issued by you, which was forged or altered by someone other than you without your knowledge or consent, or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or
 - c. An electronic telegraphic, cable, teletype, telefacsimile, telephone, or written instruction initially received by you which purports to have been transmitted by an **"employee"** but which was in fact fraudulently transmitted by someone else without your or the **"employee's"** knowledge or consent.
5. **"Funds"** means **"money"** and **"securities"**.
6. **"Messenger"** means you, or a relative of yours, or any of your partners or **"members"**, or any **"employee"** while having care and custody of property outside the **"premises"**.
7. **"Occurrence"** means:
- a. Under Employee Theft Coverage:
 - 1) An individual act;
 - 2) The combined total of all separate acts whether or not related; or
 - 3) A series of acts whether or not related;committed by an **"employee"** acting alone or in collusion with other persons, during the policy period shown on the Declarations, before such policy period, or both.
 - b. Under Forgery or Alteration Coverage:
 - 1) An individual act;
 - 2) The combined total of all separate acts whether or not related; or
 - 3) A series of acts whether or not related;committed by a person acting alone or in collusion with other persons, involving one or more instruments, during the policy period shown on the Declarations, before such policy period, or both.
 - c. Under all other coverages in this Coverage Form:
 - 1) An individual act or event;
 - 2) The combined total of all separate acts or events whether or not related; or
 - 3) A series of acts or events whether or not related;committed by a person acting alone or in collusion with other persons, or not committed by any person, during the policy period shown on the Declarations, before such policy period, or both.

Includes copyrighted material of Insurance Services Office, Inc., with its permission

PPP-0113 (04 09)
Page 11 of 12

8. "Theft" means the unlawful taking of "money", "securities", or "personal property" to the deprivation of the Insured.
9. "Transfer account" means an account maintained by you at a financial institution from which you can initiate the transfer, payment, or delivery of "funds":
 - a. By means of electronic, telegraphic, cable, teletype, telefacsimile, or telephone instructions communicated directly through an electronic funds transfer system; or
 - b. By means of written instructions, other than those described in the Forgery or Alteration Coverage, establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.

Includes copyrighted material of Insurance Services Office, Inc., with its permission

PPP-0113 (04/09)
Page 12 of 12

EXHIBIT 1
Complaint
Page 100 of 192

Exhibit A
Page 123 of 270



Fine Arts Coverage Form

Table of Contents

<u>Section</u>	<u>Page No.</u>
Coverages	1
Excluded Causes of Loss	1
Deductible	4
Valuation	4

PPP-0114 (08/16)

EXHIBIT 1
Complaint
Page 101 of 192

Exhibit A
Page 124 of 270



Fine Arts Coverage Form

A. COVERAGES

1. Fine Arts

We will pay for direct physical loss of or damage to "fine arts" at a "premises" or "reported unscheduled premises" directly caused by a "covered cause of loss".

The most we will pay under this Marine Coverage at any one "premises" or "reported unscheduled premises" is the Limit of Insurance shown on the Declarations for Fine Arts.

2. Fine Arts--Away From Premises

We will also pay for direct physical loss of or damage to "fine arts" away from a "premises" or "reported unscheduled premises" directly caused by a "covered cause of loss".

The most we will pay under this Marine Coverage in any one occurrence is the Limit of Insurance shown on the Declarations for Fine Arts--Away From Premises.

B. EXCLUDED CAUSES OF LOSS

1. Defects or Errors

We will not pay for any of the following:

a. Loss or damage, including the costs of correcting or making good, caused by or resulting from:

- 1) A "mistake" in planning, zoning, development, surveying, siting;
- 2) A "mistake" in design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- 3) A "mistake" in materials used in repair, construction, renovation, or remodeling; or
- 4) Insufficient or failure of maintenance or servicing,

of part or all of any property on or off a "premises" or "reported unscheduled premises".

But if a result of one of these excluded causes of loss is a "covered cause of loss", we will pay for that portion of the loss or damage which was solely caused by that "covered cause of loss".

b. Loss or damage, including the costs of correcting or making good, caused by or resulting from incorporating "defective materials" into part or all of any property on or off a "premises" or "reported unscheduled premises".

But if a result of one of these excluded causes of loss is a "covered cause of loss", we will pay for that portion of the loss or damage which was solely caused by that "covered cause of loss".

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

PPP-0114 (08/18)
Page 1 of 5

EXHIBIT 1
Complaint
Page 102 of 192

Exhibit A
Page 125 of 270

2. Disappearance or Shortage

We will not pay for loss caused by or resulting from disappearance or shortage disclosed on taking inventory or where there is no physical evidence to show what happened to the "fine arts". This exclusion applies even if one of these excluded causes of loss was caused by or resulted from a "mistake" or "malfunction".

3. Dishonest Acts

We will not pay for loss or damage caused by or resulting from fraudulent, dishonest, or criminal acts or omissions, committed by you, your partners, "members", officers, "managers", employees (including leased or temporary employees), directors, trustees, authorized representatives, or anyone else to whom you have entrusted the "fine arts" for any purpose:

- a. Acting alone or in collusion with others; or
- b. Whether or not occurring during the hours of employment.

This exclusion applies even if one of these excluded causes of loss was caused by or resulted from a "mistake" or "malfunction".

This exclusion does not apply to:

- a. Acts of vandalism committed by your employees (including leased or temporary employees); or
- b. Carriers for hire or anyone claiming to be a carrier for hire at the time the property is entrusted to them.

4. Earth Movement

We will not pay for loss or damage caused directly or indirectly by "earth movement". Such loss or damage is excluded regardless of any other cause or event, including a "mistake", "malfunction", or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered. But if "earth movement" results in fire, explosion, theft, or sprinkler leakage, we will pay for that portion of the loss or damage which was solely caused by that fire, explosion, theft, or sprinkler leakage.

5. Expected, Preventable, or Accumulated Losses

We will not pay for loss or damage caused by or resulting from:

- a. Wear and tear;
- b. Smoke, vapor, or gas from agricultural smudging or industrial operations;
- c. Smog;
- d. Rust or other corrosion, decay, deterioration, fading, hidden or latent defect, or any quality of the property that causes it to damage or destroy itself;
- e. Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents, or other animals; or
- f. Inherent vice.

Such loss or damage is excluded regardless of any other cause or event, including a "mistake", "malfunction", or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

But if a result of one of these excluded causes of loss is a "covered cause of loss", we will pay for that portion of the loss or damage which was solely caused by that "covered cause of loss".

6. Flood

We will not pay for loss or damage caused directly or indirectly by "flood". Such loss or damage is excluded regardless of any other cause or event, including a "mistake", "malfunction", or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered. But if "flood" results in fire, explosion, or theft, we will pay for that portion of the loss or damage which was solely caused by that fire, explosion, or theft.

7. Governmental Action

We will not pay for loss or damage caused directly or indirectly by any seizure, confiscation, expropriation, nationalization, or destruction of property by order of governmental authority. Such loss or damage is excluded regardless of any other cause or event, including a "mistake", "malfunction", or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

This exclusion does not apply to:

- a. Seizure or destruction of "fine arts" by order of governmental authority and taken at the time of fire to prevent its spread; or
- b. Demolition orders issued pursuant to any ordinance or law in effect at the time of loss or damage regulating construction, use, or repair of any property; provided such demolition order has become legally enforceable as a result of physical damage to:

- 1) Covered "real property"; or
- 2) Covered "personal property",

directly caused by a "covered cause of loss".

However, this exception does not apply to demolition orders issued pursuant to any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of, "pollutants" or "microorganisms".

8. Loss of Market or Delay

We will not pay for loss or damage caused by or resulting from loss of market, loss of use, or delay. This exclusion applies even if one of these excluded causes of loss was caused by or resulted from a "mistake" or "malfunction".

9. Microorganisms

We will not pay for loss or damage consisting of, directly or indirectly caused by, contributed to, or aggravated by the presence, growth, proliferation, spread, or any activity of "microorganisms", unless resulting from fire or lightning. Such loss or damage is excluded regardless of any other cause or event, including a "mistake", "malfunction", or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

But if a result of one of these excluded causes of loss is a "specified cause of loss", other than fire or lightning, we will pay that portion of the loss or damage which was solely caused by that "specified cause of loss".

We will also not pay for loss, cost, or expense arising out of any request, demand, order, or statutory or regulatory requirement that requires any insured or others to test for, monitor, clean up, remove, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of "microorganisms".

10. Nuclear Hazard

We will not pay for loss or damage caused directly or indirectly by nuclear reaction or radiation, or radioactive contamination, however caused. Such loss or damage is excluded regardless of any other cause or event, including a "mistake" or "malfunction", that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered. But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for that portion of the loss or damage which was solely caused by that fire.

11. Pollutants

We will not pay for loss or damage caused by or resulting from the discharge, dispersal, seepage, migration, release, or escape of "pollutants". But, if the discharge, dispersal, seepage, migration, release, or escape is caused by a "specified cause of loss", we will pay only for that portion of the loss or damage which was solely caused by that "specified cause of loss".

We will also not pay for loss, cost, or expense arising out of any request, demand, order, or statutory or regulatory requirement that requires any insured or others to test for, monitor, clean up, remove, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of "pollutants".

12. Repair, Restoration, or Retouching

We will not pay for loss of or damage to "fine arts" caused by or resulting from repair, restoration, or retouching.

13. War and Military Action

We will not pay for loss or damage arising, directly or indirectly, out of:

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority by hindering or defending against any of these.

Such loss or damage is excluded regardless of any other cause or event, including a "mistake" or "malfunction", that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

C. DEDUCTIBLE

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the applicable Deductibles shown on the Declarations. We will then pay the amount of loss or damage in excess of the Deductibles, up to the applicable Limits of Insurance.

D. VALUATION

1. "Fine arts" are valued based on the lesser of:
 - a. "Market value" at the time of loss or damage; or

b. The value of "fine arts" that are individually listed and described on the schedule on file with us.

2. Pairs or Sets

In case of loss to any part of a pair or set, we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss; or
- b. Pay the difference between the value of the pair or set before and after the loss.

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

PPP-0114 (08/16)
Page 5 of 5

EXHIBIT 1
Complaint
Page 106 of 192

Exhibit A
Page 129 of 270



Installation and Service Property Coverage Form

Table of Contents

<u>Section</u>	<u>Page No.</u>
Coverages	1
Excluded Causes of Loss	2
Deductible	5
Additional Conditions	5
Valuation	6



Installation and Service Property Coverage Form

A. COVERAGES

1. Stock to be Installed

We will pay for direct physical loss of or damage to "stock" directly caused by a "covered cause of loss" while such "stock" is:

- a. At an "installation or service premises";
- b. At a "temporary storage location"; or
- c. In transit, to or from an "installation or service premises" or a "temporary storage location".

Coverage ends at the earlier of the following:

- a. Your Insurable Interest in the "stock" ceases;
- b. The "stock" is accepted by the purchaser;
- c. The "stock" is installed and you have been paid;
- d. The "stock" is installed and put to its intended use; or
- e. The policy expires or is cancelled.

The most we will pay under this Marine Coverage in any one occurrence is the applicable Limit of Insurance shown on the Declarations for Installation and Service Property--Stock to be Installed.

2. Tools and Equipment

We will pay for direct physical loss of or damage to:

- a. "Personal property" that are tools and equipment; and
- b. Vehicles that are not licensed for use on public roads,

used by you to install or service property at an "installation or service premises" directly caused by a "covered cause of loss". Coverage applies while such property is:

- a. At an "installation or service premises"; or
- b. In transit, to or from an "installation or service premises".

The most we will pay under this Marine Coverage for any one item and in any one occurrence is the applicable Limit of Insurance shown on the Declarations for Installation and Service Property--Tools and Equipment or in a schedule on file with us.

Includes copyrighted material of Insurance Services Office, Inc., with its permission

PPP-0116 (03/14)
Page 1 of 6

EXHIBIT 1
Complaint
Page 108 of 192

Exhibit A
Page 131 of 270

B. EXCLUDED CAUSES OF LOSS

1. Artificially Maintained Conditions

We will not pay for loss of or damage to **"personal property"** caused by or resulting from the loss of or change in any artificially maintained or generated temperature, humidity, or atmosphere. This exclusion applies even if one of these excluded causes of loss was caused by or resulted from an **"equipment breakdown cause of loss"**, **"mistake"**, or **"malfunction"**.

But if a result of one of these excluded causes of loss is a **"covered cause of loss"**, we will pay for that portion of the loss or damage which was solely caused by that **"covered cause of loss"**.

This exclusion does not apply to **"electronic data processing hardware"** or **"duplicate information property"**.

2. Disappearance or Shortage

We will not pay for loss caused by disappearance or shortage disclosed on taking inventory or where there is no physical evidence to show what happened to the property. This exclusion applies even if one of these excluded causes of loss was caused by or resulted from a **"mistake"** or **"malfunction"**.

3. Dishonest Acts

We will not pay for loss caused by or resulting from fraudulent, dishonest, or criminal acts or omissions, committed by you, your partners, **"members"**, officers, **"managers"**, employees (including leased or temporary employees), directors, trustees, authorized representatives, or anyone else to whom you have entrusted the property for any purpose:

- a. Acting alone or in collusion with others; or
- b. Whether or not occurring during the hours of employment.

This exclusion applies even if one of these excluded causes of loss was caused by or resulted from a **"mistake"** or **"malfunction"**.

This exclusion does not apply to:

- a. Acts of vandalism committed by your employees (including leased or temporary employees); or
- b. Carriers for hire or anyone claiming to be a carrier for hire at the time the property is entrusted to them.

4. Expected, Preventable, or Accumulated Losses

We will not pay for loss or damage caused by or resulting from:

- a. Wear and tear;
- b. Smoke, vapor, or gas from agricultural smudging or industrial operations;
- c. Smog;
- d. Rust or other corrosion, decay, deterioration, fading, hidden or latent defect, or any quality of the property that causes it to damage or destroy itself;
- e. Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents, or other animals; or

f. Inherent vice.

Such loss or damage is excluded regardless of any other cause or event, including a "mistake", "malfunction", or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

But if a result of one of these excluded causes of loss is a "covered cause of loss", we will pay for that portion of the loss or damage which was solely caused by that "covered cause of loss".

5. Governmental Action

We will not pay for loss or damage caused directly or indirectly by any seizure, confiscation, expropriation, nationalization, or destruction of property by order of governmental authority. Such loss or damage is excluded regardless of any other cause or event, including a "mistake", "malfunction", or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

This exclusion does not apply to:

- a. Seizure or destruction of property by order of governmental authority and taken at the time of fire to prevent its spread; or
- b. Demolition orders issued pursuant to any ordinance or law in effect at the time of loss or damage regulating construction, use, or repair of any property; provided such demolition order has become legally enforceable as a result of physical damage to "real property" containing covered "personal property" directly caused by a "covered cause of loss".

However, this exception does not apply to demolition orders issued pursuant to any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of "microorganisms".

6. Loss of Market or Delay

We will not pay for loss or damage caused by or resulting from loss of market, loss of use, or delay. This exclusion applies even if one of these excluded causes of loss was caused by or resulted from a "mistake" or "malfunction".

7. Microorganisms

We will not pay for loss or damage consisting of, directly or indirectly caused by, contributed to, or aggravated by the presence, growth, proliferation, spread, or any activity of "microorganisms", unless resulting from fire or lightning. Such loss or damage is excluded regardless of any other cause or event, including a "mistake", "malfunction", or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

But if a result of one of these excluded causes of loss is a "specified cause of loss", other than fire or lightning, we will pay that portion of the loss or damage which was solely caused by that "specified cause of loss".

We will also not pay for loss, cost, or expense arising out of any request, demand, order, or statutory or regulatory requirement that requires any insured or others to test for, monitor, clean up, remove, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of "microorganisms".

8. Nuclear Hazard

We will not pay for loss or damage caused directly or indirectly by nuclear reaction or radiation, or radioactive contamination, however caused. Such loss or damage is excluded regardless of any other cause or event, including a "mistake" or "malfunction", that contributes concurrently or in any sequence

to the loss, even if such other cause or event would otherwise be covered. But, if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for that portion of the loss or damage which was solely caused by that fire.

9. Precipitation

We will not pay for loss or damage caused by or resulting from rain, hail, snow, ice, or sleet to property in the open. This exclusion applies even if one of these excluded causes of loss was caused by or resulted from a "mistake" or "malfunction".

This exclusion does not apply to:

- a. "Stock" in the custody of a carrier for hire; or
- b. Vehicles that are not licensed for use on public roads.

10. Process Failures, Defects, or Errors

We will not pay for any of the following:

- a. Loss or damage due to spoilage, destruction, adulteration, discard, reduction in value, or any other loss or damage to "stock" caused by or resulting from a "mistake" or "malfunction" in the alteration, development, distribution, installation, manufacturing, maintenance, processing, repair, or testing of such "stock".

- b. Loss or damage, including the costs of correcting or making good, caused by or resulting from:

- 1) A "mistake" in planning, zoning, development, surveying, siting;
- 2) A "mistake" in design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- 3) A "mistake" in materials used in repair, construction, renovation, or remodeling; or
- 4) Insufficient or failure of maintenance or servicing,

of part or all of any property on or off an "Installation or service premises".

But if a result of one of these excluded causes of loss is a "covered cause of loss", we will pay for that portion of the loss or damage which was solely caused by that "covered cause of loss".

- c. Loss or damage, including the costs of correcting or making good, caused by or resulting from incorporating "defective materials" into part or all of any property on or off an "Installation or service premises".

But if a result of this excluded cause of loss is a "covered cause of loss", we will pay for that portion of the loss or damage which was solely caused by that "covered cause of loss".

- d. Loss or damage to machinery or equipment while undergoing a pressure or electrical test. This exclusion applies even this excluded cause of loss was caused by or resulted from an "equipment breakdown cause of loss", "mistake", or "malfunction".

But if a result of this excluded cause of loss is a "covered cause of loss", we will pay for that portion of the loss or damage which was solely caused by that "covered cause of loss".

11. Suspended Equipment

We will not pay for loss or damage caused by or resulting from an **"equipment breakdown cause of loss"** to **"suspended equipment"**. This exclusion applies even if this excluded cause of loss was caused by or resulted from a **"mistake"** or **"malfunction"**.

But if a result of this excluded cause of loss is a **"covered cause of loss"**, we will pay for that portion of the loss or damage which was solely caused by that **"covered cause of loss"**.

12. War and Military Action

We will not pay for loss or damage arising, directly or indirectly, out of:

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority by hindering or defending against any of these.

Such loss or damage is excluded regardless of any other cause or event, including a **"mistake"** or **"malfunction"**, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

13. Weight of Load

We will not pay for loss of or damage to **"personal property"** that are tools and equipment or vehicles used by you to install or service property caused by or resulting from the weight of a load exceeding the manufacturer's rated lifting or supporting capacity of any machine under the operating conditions at the time of loss or damage.

C. DEDUCTIBLE

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the applicable Deductibles shown on the Declarations. We will then pay the amount of loss or damage in excess of the Deductibles, up to the applicable Limits of Insurance.

D. ADDITIONAL CONDITIONS

The following conditions apply in addition to the COMMERCIAL PROPERTY CONDITIONS and the COMMON POLICY CONDITIONS:

1. In the event of any loss or damage to Covered Property in transit, you must immediately make a claim in writing against the carrier, bailee, or others involved.
2. The coverage provided for **"stock"** by this Coverage Form is primary to any other insurance not subject to the same plan, terms, conditions, and provisions as this Coverage Form.

E. VALUATION

We will determine the value of covered loss or damage as follows:

1. Except as provided in 2., 3., 4., 5., 6., and 7. below, the lesser of the following amounts:
 - a. The **"replacement cost"**; or

Includes copyrighted material of Insurance Services Office, Inc., with its permission

PPP-0115 (03/14)
Page 5 of 6

- b. The "amount you actually spend" to repair, rebuild, or replace Covered Property.
2. Except as provided in 3., 5., 6., and 7. below, Covered Property which is not repaired, rebuilt, or replaced will be valued at the "actual cash value" at the time and place of loss or damage. If you commence the repair, rebuilding, or replacement of the lost or damaged Covered Property within 24 months from the date the loss or damage occurred, upon completion of the repair, rebuilding, or replacement we will pay you the difference between the "actual cash value" previously paid and the "replacement cost" at the time of loss or damage.
 3. "Merchandise" and "finished stock" at the regular cash selling price, less any discounts and expenses you otherwise would have had.
 4. "Stock in process" at the value of "raw stock", your labor expended, and your materials incorporated plus the proper proportion of your overhead charges, calculated in accordance with principles of Direct Costing. In no event will overhead be calculated in accordance with the principles of Absorption Costing.
 5. Covered Property which has been permanently removed from service at "actual cash value".
 6. "Duplicate information property" at the lesser of:
 - a. The cost to purchase a duplicate copy, if a duplicate copy exists and is available for sale; or
 - b. The cost of blank materials, plus any cost incurred to copy data onto blank materials from a duplicate source on the same type of materials, provided such copying does not violate licensing or contract agreements.
 7. Subject to 1., 2., and 5. above, the most we will pay for any one item for scheduled equipment is the value per item shown on the schedule on file with us.



Original Information Property Coverage Form

Table of Contents

<u>Section</u>	<u>Page No.</u>
Coverages	1
Excluded Causes of Loss	1
Deductible	4
Valuation	5

PPP-0116 (08 16)

EXHIBIT 1
Complaint
Page 114 of 192

Exhibit A
Page 137 of 270



Original Information Property Coverage Form

A. COVERAGES

1. Original Information Property

We will pay for direct physical loss of or damage to "original information property" at a "premises" or "reported unscheduled premises" directly caused by a "covered cause of loss".

The most we will pay under this Marine Coverage at any one "premises" or "reported unscheduled premises" is the Limit of Insurance shown on the Declarations for Original Information Property.

2. Original Information Property--Away From Premises

We will also pay for direct physical loss of or damage to "original information property" away from a "premises" or "reported unscheduled premises" directly caused by a "covered cause of loss".

The most we will pay under this Marine Coverage in any one occurrence is the Limit of Insurance shown on the Declarations for Original Information Property--Away From Premises.

B. EXCLUDED CAUSES OF LOSS

1. Alteration, Falsification, Concealment, or Destruction

We will not pay for loss or damage caused by or resulting from alteration, falsification, concealment, or destruction of "original information property" done to conceal the wrongful giving, taking, or withholding of "money", "securities", or other property.

2. Bookkeeping, Accounting, or Billing Mistakes

We will not pay for loss or damage caused by or resulting from a "mistake" or "malfunction" in bookkeeping, accounting, or billing.

3. Defects or Errors

We will not pay for any of the following:

a. Loss or damage caused by or resulting from a "mistake" in:

- 1) Programming;
- 2) Instructions to a machine; or
- 3) Installation or maintenance of "electronic data processing hardware" or component parts.

But if a result of one of these excluded causes of loss is a "covered cause of loss", we will pay for that portion of the loss or damage which was solely caused by that "covered cause of loss".

b. Loss or damage, including the costs of correcting or making good, caused by or resulting from:

Includes copyrighted material of Insurance Services Office, Inc., with its permission

PPP-0116 (08 16)
Page 1 of 5

- 1) A "mistake" in planning, zoning, development, surveying, siting;
- 2) A "mistake" in design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- 3) A "mistake" in materials used in repair, construction, renovation, or remodeling; or
- 4) Insufficient or failure of maintenance or servicing,

of part or all of any "original information property" on or off a "premises" or "reported unscheduled premises".

But if a result of one of these excluded causes of loss is a "covered cause of loss", we will pay for that portion of the loss or damage which was solely caused by that "covered cause of loss".

- c. Loss or damage, including the costs of correcting or making good, caused by or resulting from incorporating "defective materials" into part or all of any "original information property" on or off a "premises" or "reported unscheduled premises".

But if a result of one of these excluded causes of loss is a "covered cause of loss", we will pay for that portion of the loss or damage which was solely caused by that "covered cause of loss".

4. Disappearance or Shortage

We will not pay for loss caused by or resulting from disappearance or shortage disclosed on taking inventory or where there is no physical evidence to show what happened to the "original information property". This exclusion applies even if one of these excluded causes of loss was caused by or resulted from a "mistake" or "malfunction".

5. Dishonest Acts

We will not pay for loss or damage caused by or resulting from fraudulent, dishonest, or criminal acts or omissions, committed by you, your partners, "members", officers, "managers", employees (including leased or temporary employees), directors, trustees, authorized representatives, or anyone else to whom you have entrusted the "original information property" for any purpose:

- a. Acting alone or in collusion with others; or
- b. Whether or not occurring during the hours of employment.

This exclusion applies even if one of these excluded causes of loss was caused by or resulted from a "mistake" or "malfunction".

This exclusion does not apply to:

- a. Acts of vandalism committed by your employees (including leased or temporary employees); or
- b. Carriers for hire or anyone claiming to be a carrier for hire at the time the property is entrusted to them.

6. Earth Movement

We will not pay for loss or damage caused directly or indirectly by "earth movement". Such loss or damage is excluded regardless of any other cause or event, including a "mistake", "malfunction", or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be

covered. But if "earth movement" results in fire, explosion, theft, or sprinkler leakage, we will pay for that portion of the loss or damage which was solely caused by that fire, explosion, theft, or sprinkler leakage.

7. Electronic Vandalism

We will not pay for loss or damage caused by or resulting from "electronic vandalism".

This exclusion applies even if the "electronic vandalism" was caused by or resulted from a "mistake" or "malfunction".

8. Expected, Preventable, or Accumulated Losses

We will not pay for loss or damage caused by or resulting from:

- a. Wear and tear;
- b. Smoke, vapor, or gas from agricultural smudging or industrial operations;
- c. Smog;
- d. Rust or other corrosion, decay, deterioration, fading, hidden or latent defect, or any quality of the property that causes it to damage or destroy itself;
- e. Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents, or other animals; or
- f. Inherent vice.

Such loss or damage is excluded regardless of any other cause or event, including a "mistake", "malfunction", or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

But if a result of one of these excluded causes of loss is a "covered cause of loss", we will pay for that portion of the loss or damage which was solely caused by that "covered cause of loss".

9. Flood

We will not pay for loss or damage caused directly or indirectly by "flood". Such loss or damage is excluded regardless of any other cause or event, including a "mistake", "malfunction", or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered. But if "flood" results in fire, explosion, or theft, we will pay for that portion of the loss or damage which was solely caused by that fire, explosion, or theft.

10. Governmental Action

We will not pay for loss or damage caused directly or indirectly by any seizure, confiscation, expropriation, nationalization, or destruction of property by order of governmental authority. Such loss or damage is excluded regardless of any other cause or event, including a "mistake", "malfunction", or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

This exclusion does not apply to acts of destruction of "original information property" ordered by governmental authority and taken at the time of fire to prevent its spread.

11. Loss of Market or Delay

We will not pay for loss or damage caused by or resulting from loss of market, loss of use, or delay. This exclusion applies even if one of these excluded causes of loss was caused by or resulted from a "mistake" or "malfunction".

12. Microorganisms

We will not pay for loss or damage consisting of, directly or indirectly caused by, contributed to, or aggravated by the presence, growth, proliferation, spread, or any activity of "microorganisms", unless resulting from fire or lightning. Such loss or damage is excluded regardless of any other cause or event, including a "mistake", "malfunction", or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

But if a result of one of these excluded causes of loss is a "specified cause of loss", other than fire or lightning, we will pay that portion of the loss or damage which was solely caused by that "specified cause of loss".

We will also not pay for loss, cost, or expense arising out of any request, demand, order, or statutory or regulatory requirement that requires any insured or others to test for, monitor, clean up, remove, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of "microorganisms".

13. Nuclear Hazard

We will not pay for loss or damage caused directly or indirectly by nuclear reaction or radiation, or radioactive contamination, however caused. Such loss or damage is excluded regardless of any other cause or event, including a "mistake" or "malfunction", that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered. But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for that portion of the loss or damage which was solely caused by that fire.

14. War and Military Action

We will not pay for loss or damage arising, directly or indirectly, out of:

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority by hindering or defending against any of these

Such loss or damage is excluded regardless of any other cause or event, including a "mistake" or "malfunction", that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

C. DEDUCTIBLE

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the applicable Deductibles shown on the Declarations. We will then pay the amount of loss or damage in excess of the Deductibles, up to the applicable Limits of Insurance.

D. VALUATION

We will determine the value of covered loss or damage to lost or damaged "original information property" at the full cost necessary to research and reproduce a master copy, including the information and material on which it resides. However, we will only pay for costs of research and reproduction if you reproduce your "original information property". We will not include the cost of making additional copies.

Includes copyrighted material of Insurance Services Office, Inc., with its permission

PPP-0116 (08/16)
Page 5 of 5

EXHIBIT 1
Complaint
Page 119 of 192

Exhibit A
Page 142 of 270

Transit Coverage Form



Table of Contents

<u>Section</u>	<u>Page No.</u>
Coverage	1
Property Not Covered	1
Excluded Causes of Loss	2
Deductible	4
Additional Conditions	4
Valuation	4

EXHIBIT 1
Complaint
Page 120 of 192

Exhibit A
Page 143 of 270

Transit Coverage Form



A. COVERAGE

We will pay for direct physical loss of or damage to "personal property" in transit, including:

1. Your interest in shipments sold under Free on Board or Freight Allowed terms;
2. "Personal property" when the purchaser refuses to accept delivery or returns it to the shipper; or
3. General average and salvage charges on shipments while waterborne,

directly caused by a "covered cause of loss".

The most we will pay under this Marine Coverage in any one occurrence is the Limit of Insurance shown on the Declarations for Transit—Personal Property.

B. PROPERTY NOT COVERED

This Coverage Form does not apply to:

1. "Personal property" in transit to or from a fair or exhibition;
2. "Salespersons samples";
3. Property of others in your care, custody, or control if you are acting as a carrier for hire, broker, loader, consolidator, or freight forwarder with a written contract or bill of lading;
4. "Personal property" used by you to install or service property at an "installation or service premises";
5. "Stock" in transit to or from an "installation or service premises" or a "temporary storage location";
6. Furs, fur garments, and garments trimmed with fur;
7. Jewelry, watches, watch movements, jewels, pearls, precious or semiprecious stones, bullion, gold, silver, platinum, and other precious alloys or metals, except for:
 - a. Jewelry or watches worth \$100 or less per item; or
 - b. Precious or semiprecious stones or metals used for industrial purposes; or
8. Lottery tickets held for sale.

Includes copyrighted material of Insurance Services Office, Inc., with its permission

PPP-0117 (03 14)
Page 1 of 5

EXHIBIT 1
Complaint
Page 121 of 192

Exhibit A
Page 144 of 270

C. EXCLUDED CAUSES OF LOSS

1. Artificially Maintained Conditions

We will not pay for loss of or damage to "personal property" caused by or resulting from the loss of or change in any artificially maintained or generated temperature, humidity, or atmosphere. This exclusion applies even if one of these excluded causes of loss was caused by or resulted from an "equipment breakdown cause of loss", "mistake", or "malfunction".

But if a result of one of these excluded causes of loss is a "covered cause of loss", we will pay for that portion of the loss or damage which was solely caused by that "covered cause of loss".

This exclusion does not apply to "electronic data processing hardware" or "duplicate information property".

2. Dishonest Acts

We will not pay for loss or damage caused by or resulting from fraudulent, dishonest, or criminal acts or omissions, committed by you, your partners, "members", officers, "managers", employees (including leased or temporary employees), directors, trustees, authorized representatives, or anyone else to whom you have entrusted the "personal property" for any purpose:

- a. Acting alone or in collusion with others; or
- b. Whether or not occurring during the hours of employment.

This exclusion applies even if one of these excluded causes of loss was caused by or resulted from a "mistake" or "malfunction".

This exclusion does not apply to:

- a. Acts of vandalism committed by your employees (including leased or temporary employees); or
- b. Carriers for hire or anyone claiming to be a carrier for hire at the time the property is entrusted to them.

3. Expected, Preventable, or Accumulated Losses

We will not pay for loss or damage caused by or resulting from:

- a. Wear and tear;
- b. Smoke, vapor, or gas from agricultural smudging or industrial operations;
- c. Smog;
- d. Rust or other corrosion, decay, deterioration, fading, hidden or latent defect, or any quality of the property that causes it to damage or destroy itself;
- e. Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents, or other animals; or
- f. Inherent vice.

Such loss or damage is excluded regardless of any other cause or event, including a "mistake", "malfunction", or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

But if a result of one of these excluded causes of loss is a "covered cause of loss", we will pay for that portion of the loss or damage which was solely caused by that "covered cause of loss".

4. Governmental Action

We will not pay for loss or damage caused directly or indirectly by any seizure, confiscation, expropriation, nationalization, or destruction of property by order of governmental authority. Such loss or damage is excluded regardless of any other cause or event, including a "mistake", "malfunction", or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

This exclusion does not apply to seizure or destruction of property by order of governmental authority and taken at the time of fire to prevent its spread.

5. Loss of Market or Delay

We will not pay for loss or damage caused by or resulting from loss of market, loss of use, or delay. This exclusion applies even if one of these excluded causes of loss was caused by or resulted from a "mistake" or "malfunction".

6. Microorganisms

We will not pay for loss or damage consisting of, directly or indirectly caused by, contributed to, or aggravated by the presence, growth, proliferation, spread, or any activity of "microorganisms", unless resulting from fire or lightning. Such loss or damage is excluded regardless of any other cause or event, including a "mistake", "malfunction", or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

But if a result of one of these excluded causes of loss is a "specified cause of loss", other than fire or lightning, we will pay that portion of the loss or damage which was solely caused by that "specified cause of loss".

We will also not pay for loss, cost, or expense arising out of any request, demand, order, or statutory or regulatory requirement that requires any insured or others to test for, monitor, clean up, remove, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of "microorganisms".

7. Nuclear Hazard

We will not pay for loss or damage caused directly or indirectly by nuclear reaction or radiation, or radioactive contamination, however caused. Such loss or damage is excluded regardless of any other cause or event, including a "mistake" or "malfunction", that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered. But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for that portion of the loss or damage which was solely caused by that fire.

8. Process Failures, Defects, or Errors

We will not pay for any of the following:

- a. Loss or damage due to spoilage, destruction, adulteration, discard, reduction in value, or any other loss or damage to "stock" caused by or resulting from a "mistake" or "malfunction" in the alteration, development, distribution, installation, manufacturing, maintenance, processing, repair, or testing of such "stock".
- b. Loss or damage, including the costs of correcting or making good, caused by or resulting from incorporating "defective materials" into part or all of any property on or off the "premises".

But if a result of this excluded cause of loss is a "covered cause of loss", we will pay for that portion of the loss or damage which was solely caused by that "covered cause of loss".

9. Suspended Equipment

We will not pay for loss or damage caused by or resulting from an "equipment breakdown cause of loss" to "suspended equipment". This exclusion applies even if this excluded cause of loss was caused by or resulted from a "mistake" or "malfunction".

But if a result of this excluded cause of loss is a "covered cause of loss", we will pay for that portion of the loss or damage which was solely caused by that "covered cause of loss".

10. War and Military Action

We will not pay for loss or damage arising, directly or indirectly, out of:

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority by hindering or defending against any of these.

Such loss or damage is excluded regardless of any other cause or event, including a "mistake" or "malfunction", that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

D. DEDUCTIBLE

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the applicable Deductibles shown on the Declarations. We will then pay the amount of loss or damage in excess of the Deductibles, up to the applicable Limits of Insurance.

E. ADDITIONAL CONDITIONS

The following conditions apply in addition to the COMMERCIAL PROPERTY CONDITIONS and the COMMON POLICY CONDITIONS:

1. In the event of any loss or damage to "personal property" in transit, you must immediately make a claim in writing against the carrier, bailee, or others involved.
2. If "personal property" in transit which was sold under Free on Board or Freight Allowed terms is lost or damaged and the consignee refuses to pay for such "personal property" because of the loss or damage, we will not attempt to enforce collection from the consignee without your written permission.

F. VALUATION

We will determine the amount of covered loss or damage as follows:

1. Except as provided in 2., 3., 4., 5., and 6. below, the lesser of the following amounts:
 - a. The "replacement cost"; or
 - b. The "amount you actually spend" to repair, rebuild, or replace "personal property".

Includes copyrighted material of Insurance Services Office, Inc., with its permission

PPP-0117 (03/14)
Page 4 of 8

2. Except as provided in 3., 5., and 6. below, "**personal property**" which is not repaired, rebuilt, or replaced will be valued at the "**actual cash value**" at the time and place of loss or damage. If you commence the repair, rebuilding, or replacement of the lost or damaged "**personal property**" within 24 months from the date the loss or damage occurred, upon completion of the repair, rebuilding, or replacement we will pay you the difference between the "**actual cash value**" previously paid and the "**replacement cost**" at the time of loss or damage.
3. "**Merchandise**" which has been sold but not delivered and "**finished stock**" at the regular cash selling price, less any discounts and expenses you otherwise would have had.
4. "**Stock in process**" at the value of "**raw stock**", your labor expended, and your materials incorporated plus the proper proportion of your overhead charges, calculated in accordance with principles of Direct Costing. In no event will overhead be calculated in accordance with the principles of Absorption Costing.
5. "**Personal property**" which has been permanently removed from service at "**actual cash value**".
6. "**Duplicate information property**" at the lesser of:
 - a. The cost to purchase a duplicate copy, if a duplicate copy exists and is available for sale; or
 - b. The cost of blank materials, plus any cost incurred to copy data onto blank materials from a duplicate source on the same type of materials, provided such copying does not violate licensing or contract agreements.



**Business Income Coverage Form
(Excluding Extra Expense)**

Table of Contents

<u>Section</u>	<u>Page No.</u>
Coverage	1
Additional Coverages	1
Exclusions	4
Limitations	5
Deductible	6
Loss Determination	6
Optional Coverages	7

PPP-0130 (08 16)

EXHIBIT 1
Complaint
Page 126 of 192

Exhibit A
Page 149 of 270



Business Income Coverage Form (Excluding Extra Expense)

A. COVERAGE

We will pay for the actual loss of **"business income"** you sustain due to the necessary **"suspension"** of your **"operations"** during the **"period of restoration"**. The **"suspension"** must be caused by direct physical loss of or damage to property at a **"premises"** at which a Limit of Insurance is shown on the Declarations for Business Income. The loss or damage must be directly caused by a **"covered cause of loss"**. We will not pay more than the applicable Limit of Insurance shown on the Declarations for Business Income at that **"premises"**.

B. ADDITIONAL COVERAGES

1. Civil Authority

We will pay for the actual loss of **"business income"** you sustain for up to the number of days shown on the Declarations for Civil Authority resulting from the necessary **"suspension"**, or delay in the start, of your **"operations"** if the **"suspension"** or delay is caused by order of civil authority that prohibits access to the **"premises"** or **"reported unscheduled premises"**. That order must result from a civil authority's response to direct physical loss of or damage to property located within one mile from the **"premises"** or **"reported unscheduled premises"** which sustains a **"business income"** loss. The loss or damage must be directly caused by a **"covered cause of loss"**.

The most we will pay under this Additional Coverage is the Limit of Insurance shown on the Declarations for Business Income at the **"premises"** or **"reported unscheduled premises"** where access was prohibited.

The Limit for this Additional Coverage is included in, and not in addition to, the applicable Limit of Insurance.

2. Contractual Penalties

We will pay contractual penalties you are legally liable to pay under the provisions of a written contract due to late or non-completion of orders. Those penalties must be the result of direct physical loss of or damage to property at a **"premises"** or **"reported unscheduled premises"** at which a Limit of Insurance is shown on the Declarations for Business Income. The loss or damage must be directly caused by a **"covered cause of loss"**.

The most we will pay under this Additional Coverage in any one occurrence is the Limit of Insurance shown on the Declarations for Contractual Penalties.

3. Electronic Vandalism

We will pay for the actual loss of **"business income"** you sustain due to the necessary **"suspension"** of your **"operations"** provided the **"suspension"** was directly caused by **"electronic vandalism"**.

The most we will pay under this Additional Coverage in any one policy year is the Annual Aggregate Limit of Insurance shown on the Declarations for Electronic Vandalism--Business Income.

4. Expense to Reduce Loss

We will pay reasonable and necessary expenses you incur, except the cost of extinguishing a fire, to reduce the amount of loss of "business income". We will pay for such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this Coverage Form and subject to the applicable Limit of Insurance shown on the Declarations for Business Income at that "premises" or "reported unscheduled premises".

5. Extended Period of indemnity

If the necessary "suspension" of your "operations" produces a "business income" loss payable under this Coverage Form, and you resume "operations" with reasonable speed, we will pay for the actual loss of "business income" you sustain during the "extended period of indemnity".

The most we will pay under this Additional Coverage is the Limit of Insurance shown on the Declarations for Business Income at the "premises" or "reported unscheduled premises" where the direct physical loss or damage occurred.

The Limit for this Additional Coverage is included in, and not in addition to, the applicable Limit of Insurance.

6. Fairs or Exhibitions

We will pay for the actual loss of "business income" you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at, or while in transit to or from, any fair or exhibition. The loss or damage must be directly caused by a "covered cause of loss".

The most we will pay under this Additional Coverage in any one occurrence is the Limit of Insurance shown on the Declarations for Fairs or Exhibitions--Business Income.

7. Ingress/Egress

We will pay for the actual loss of "business income" you sustain for up to the number of days shown on the Declarations for Ingress/Egress following the necessary "suspension" of your "operations", when ingress or egress by your suppliers, customers, or employees to the "premises" or "reported unscheduled premises" is physically obstructed due to direct physical loss or damage. The actual loss of "business income" you sustain must be caused by direct physical loss or damage to property not owned, occupied, leased, or rented by you, or insured under this Commercial Property Coverage Part. That property must be located within one mile from the "premises" or "reported unscheduled premises" which sustains a "business income" loss. The obstruction cannot be the result of an order of civil authority that prohibits access to that "premises" or "reported unscheduled premises". The loss or damage must be directly caused by a "covered cause of loss".

The most we will pay under this Additional Coverage is the Limit of Insurance shown on the Declarations for Business Income at the "premises" or "reported unscheduled premises" where ingress or egress was obstructed.

The Limit for this Additional Coverage is included in, and not in addition to, the applicable Limit of Insurance.

8. Microorganisms

We will pay for the actual loss of "business income" you sustain due to the:

- a. Necessary "suspension" of your "operations" from direct physical loss of or damage to Covered Property caused by "microorganisms" when the "microorganisms" are the result of a "covered cause of loss"; or
- b. Prolonged "period of restoration" due to the remediation of "microorganisms" from a covered loss.

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

PPP-0130 (08 16)
Page 2 of 8

The most we will pay under this Additional Coverage in any one policy year is the Annual Aggregate Limit of Insurance shown on the Declarations for Microorganisms--Business Income. Regardless of the number of claims, this Limit of Insurance is the most we will pay for the total of all loss, even if the "microorganisms" continue to be present, active, or recur.

9. Newly Acquired Premises

We will pay for the actual loss of "business income" you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to your property at a "newly acquired premises". The loss or damage must be directly caused by a "covered cause of loss".

This Additional Coverage will automatically expire on the earliest of the following dates:

- a. The date you report the "newly acquired premises" to us;
- b. The number of days shown on the Declarations from the date the location becomes a "newly acquired premises"; or
- c. The date this policy expires or is cancelled.

We will charge you additional premium for values reported from the date the location becomes a "newly acquired premises".

The most we will pay under this Additional Coverage at any one "newly acquired premises" is the Limit of Insurance shown on the Declarations for Newly Acquired Premises--Business Income.

10. Reported Unscheduled Premises

We will pay for the actual loss of "business income" you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at a "reported unscheduled premises". The loss or damage must be directly caused by a "covered cause of loss".

The most we will pay under this Additional Coverage at any one "reported unscheduled premises" is the Limit of Insurance shown on the Declarations for Reported Unscheduled Premises--Business Income.

11. Scheduled Property

We will pay for the actual loss of "business income" you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to "scheduled property". The loss or damage must be directly caused by a "covered cause of loss" within the Coverage Territory.

The most we will pay under this Additional Coverage in any one occurrence is 25% of the applicable Limit of Insurance shown on the SCHEDULED PROPERTY COVERAGE FORM.

12. Transit

We will pay for the actual loss of "business income" you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property in transit, other than while in transit to or from any fair or exhibition. The loss or damage must be directly caused by a "covered cause of loss".

The most we will pay under this Marine Coverage in any one occurrence is the Limit of Insurance shown on the Declarations for Transit--Business Income.

13. Unreported Premises

We will pay for the actual loss of "business income" you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to your property, or property of your landlord, at an "unreported premises". The loss or damage must be directly caused by a "covered cause of loss".

The most we will pay under this Additional Coverage at any one "unreported premises" is the Limit of Insurance shown on the Declarations for Unreported Premises--Business Income.

C. EXCLUSIONS

1. Real or Personal Property

The exclusions in paragraphs 6., 7., 8., and 9. below and the excluded causes of loss in the REAL AND PERSONAL PROPERTY COVERAGE FORM, except Off-Premises Service Interruption, apply to loss of "business income" caused by or resulting from loss of or damage to any property other than:

- a. "Fine arts";
- b. "Original information property";
- c. "Outdoor trees, shrubs, plants, or lawns";
- d. "Green roofing systems";
- e. "Personal property" in transit; or
- f. "Scheduled property".

2. Fine Arts

The exclusions in paragraphs 6., 7., 8., and 9. below and the excluded causes of loss in the FINE ARTS COVERAGE FORM apply to loss of "business income" caused by or resulting from loss of or damage to "fine arts".

3. Original Information Property

The exclusions in paragraphs 6., 7., 8., and 9. below and the excluded causes of loss in the ORIGINAL INFORMATION PROPERTY COVERAGE FORM apply to loss of "business income" caused by or resulting from loss of or damage to "original information property".

4. Personal Property In Transit

The exclusions in paragraphs 6., 7., 8., and 9. below and the excluded causes of loss in the TRANSIT COVERAGE FORM apply to loss of "business income" caused by or resulting from loss of or damage to "personal property" in transit.

5. Scheduled Property

The exclusions in paragraphs 6., 7., 8., and 9. below and the excluded causes of loss in the SCHEDULED PROPERTY COVERAGE FORM apply to loss of "business income" caused by or resulting from loss of or damage to "scheduled property".

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

PPP-0130 (06 16)
Page 4 of 8

6. Finished Stock

We will not pay for loss of "business income" caused by or resulting from:

- a. Loss of or damage to "finished stock"; or
- b. The time required to replace "finished stock".

7. Off-Premises Service Interruption

We will not pay for loss of "business income" caused by or resulting from any "off-premises service interruption". Such loss is excluded regardless of any other cause or event, including a "mistake", "malfunction", or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

8. Suspension, Lapse, or Cancellation

We will not pay for any loss of "business income" caused by or resulting from a suspension, lapse, or cancellation of any license, lease, or contract, unless the suspension, lapse, or cancellation is directly caused by the "suspension" of your "operations". If the suspension, lapse, or cancellation of any license, lease, or contract is directly caused by the "suspension" of your "operations", we will not pay for that portion of any loss from such suspension, lapse, or cancellation which occurs after the "extended period of indemnity".

9. Space and Space Related Risks

We will not pay for any loss of "business income" caused by or resulting from loss of or damage to:

- a. Spacecraft, satellites, associated launch vehicles and any major components, including any property contained therein; or
- b. Launch facilities for spacecraft or satellites.

D. LIMITATIONS

1. Idle Periods

We will not pay for loss of "business income" during any period in which business would not or could not have been conducted for any reason other than:

- a. Direct physical loss of or damage to property as described in Section A., Coverage, above;
- b. A civil authority prohibiting access to the "premises" or "reported unscheduled premises" as described in the Civil Authority Additional Coverage above; or
- c. A physical obstruction affecting ingress or egress to the "premises" or "reported unscheduled premises" as described in the Ingress/Egress Additional Coverage above.

2. Strikers or Others Causing Delay

We will not pay for any loss of "business income" caused by or resulting from delay in rebuilding, repairing, or replacing property, or resuming "operations", due to the interference at the location of the rebuilding, repair, or replacement by strikers or other persons.

3. Outdoor Trees, Shrubs, Plants, or Lawns

We will not pay for loss of **"business income"** caused by or resulting from loss of or damage to **"outdoor trees, shrubs, plants, or lawns"** unless the loss or damage is directly caused by fire, lightning, explosion, riot or civil commotion, or aircraft.

4. Green Roofing Systems

We will not pay for loss of **"business income"** caused by or resulting from loss of or damage to **"green roofing systems"** unless the loss or damage is directly caused by a **"covered cause of loss"** other than loss or damage caused by or resulting from:

- a. Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents, or other animals;
- b. Disease;
- c. Changes in or extremes of temperature;
- d. Dampness or dryness of atmosphere or of soil supporting the vegetation; or
- e. Rain, snow, hail, ice, or sleet.

E. DEDUCTIBLE

We will not pay for any loss of **"business income"** in any one occurrence until the amount of loss exceeds the applicable Deductibles or is incurred after the applicable Waiting Periods shown on the Declarations. We will then pay the amount of actual **"business income"** loss sustained in excess of the Deductibles or incurred after the Waiting Periods, up to the applicable Limits of Insurance.

If a Waiting Period is shown on the Declarations, the Waiting Period begins immediately following the direct physical loss of or damage to property, directly caused by a **"covered cause of loss"**.

F. LOSS DETERMINATION

1. Sources of Information

The amount of actual **"business income"** loss sustained will be based on relevant sources of information, including, but not limited to:

- a. Your financial records, tax returns, and accounting procedures;
- b. Bills, invoices, and other vouchers; and
- c. Deeds, liens, and contracts.

2. Net Income

The amount of **"net income"** will be determined based on:

- a. The **"net income"** of the business before the direct physical loss or damage occurred; and
- b. The likely **"net income"** of the business if no direct physical loss or damage had occurred.

includes copyrighted material of Insurance Services Office, Inc., with its permission.

PPP-0130 (08 16)
Page 6 of 8

3. Continuing Expenses

The amount of "continuing expenses" will be determined based on those expenses which are necessary to resume your "operations" with the same quality of service that existed just before the direct physical loss or damage and which are incurred during the "period of restoration" or "extended period of indemnity".

4. Resumption of Operations

We will reduce the amount of the "business income" loss payment:

- a. To the extent you could resume your "operations", in whole or in part, by using damaged or undamaged property, including "stock"; or
- b. To the extent you could resume your "operations", in whole or in part, by using any other location.

5. Finished Stock and Merchandise

Lost or damaged "finished stock" or "merchandise" that is valued at regular cash selling price will be considered to have been sold to your customers and will be credited against the lost sales.

G. OPTIONAL COVERAGES

If shown on the Declarations, the following Optional Coverages apply separately to each item:

1. Maximum Period of Indemnity

The most we will pay for loss of "business income" is the lesser of:

- a. The amount of loss incurred during the 120 days immediately following the beginning of the "period of restoration"; or
- b. The Limit of Insurance shown on the Declarations.

The Additional Condition--Coinsurance endorsement does not apply to this Optional Coverage.

The Extended Period of Indemnity Additional Coverage does not apply.

2. Monthly Limit of Indemnity

The most we will pay for loss of "business income" in each period of 30 consecutive days after the beginning of the "period of restoration" is:

- a. The Limit of Insurance, multiplied by
- b. The fraction shown on the Declarations for this Optional Coverage.

The Additional Condition--Coinsurance endorsement does not apply to this Optional Coverage.

The Extended Period of Indemnity Additional Coverage does not apply.

Example:

If:

- a. The Limit of Insurance is \$120,000.

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

PPP-0130 (08 15)
Page 7 of 8

b. The fraction shown on the Declarations for this Optional Coverage is 1/4.

The most we will pay for loss in each period of 30 consecutive days is \$30,000.

If, in this example, the actual amount of the loss is:

Days 1-30	\$40,000
Days 31-60	20,000
Days 61-90	<u>30,000</u>
	\$90,000

We will pay:

Days 1-30	\$30,000
Days 31-60	20,000
Days 61-90	<u>30,000</u>
	\$80,000

The remaining \$10,000 of loss is not covered.

includes copyrighted material of Insurance Services Office, Inc., with its permission.

PPP-0130 (08 15)
Page 8 of 8

EXHIBIT 1
Complaint
Page 134 of 192

Exhibit A
Page 157 of 270



Extra Expense Coverage Form

Table of Contents

<u>Section</u>	<u>Page No.</u>
Coverage	1
Additional Coverages	1
Exclusions	2
Limitations	3
Deductible	4
Loss Determination	4

PPP-0132 (08 16)

EXHIBIT 1
Complaint
Page 135 of 192

Exhibit A
Page 158 of 270



Extra Expense Coverage Form

A. COVERAGE

We will pay for the actual and necessary "extra expense" you incur due to direct physical loss of or damage to property at a "premises" at which a Limit of Insurance is shown for Extra Expense on the Declarations. The loss or damage must be directly caused by a "covered cause of loss". We will not pay more than the applicable Limit of Insurance shown on the Declarations for Extra Expense at that "premises".

B. ADDITIONAL COVERAGES

1. Civil Authority

We will pay for the actual and necessary "extra expense" you incur for up to the number of days shown on the Declarations for Civil Authority when an order of civil authority prohibits access to the "premises" or "reported unscheduled premises". That order must result from a civil authority's response to direct physical loss of or damage to property located within one mile from the "premises" or "reported unscheduled premises" where the "extra expense" was incurred. The loss or damage must be directly caused by a "covered cause of loss".

The most we will pay under this Additional Coverage is the Limit of Insurance shown on the Declarations for Extra Expense at the "premises" or "reported unscheduled premises" where access was prohibited.

The Limit for this Additional Coverage is included in, and not in addition to, the applicable Limit of Insurance.

2. Ingress/Egress

We will pay for the actual and necessary "extra expense" you incur for up to the number of days shown on the Declarations for Ingress/Egress, when ingress or egress by your suppliers, customers, or employees to the "premises" or "reported unscheduled premises" is physically obstructed due to direct physical loss or damage. The actual and necessary "extra expense" you incur must be caused by direct physical loss of or damage to property not owned, occupied, leased, or rented by you, or insured under this Commercial Property Coverage Part. That property must be located within one mile from the "premises" or "reported unscheduled premises" where the "extra expense" was incurred. The obstruction cannot be the result of an order of civil authority that prohibits access to that "premises" or "reported unscheduled premises". The loss or damage must be directly caused by a "covered cause of loss".

The most we will pay under the Additional Coverage is the Limit of Insurance shown on the Declarations for Extra Expense at the "premises" or "reported unscheduled premises" where ingress or egress was obstructed.

The Limit for this Additional Coverage is included in, and not in addition to, the applicable Limit of Insurance.

3. Newly Acquired Premises

We will pay for the actual and necessary "extra expense" you incur due to direct physical loss of or damage to your property at a "newly acquired premises". The loss or damage must be directly caused by a "covered cause of loss".

This Additional Coverage will automatically expire on the earliest of the following dates:

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

PPP-0132 (08 16)
Page 1 of 4

EXHIBIT 1
Complaint
Page 136 of 192

Exhibit A
Page 159 of 270

- a. The date you report the "newly acquired premises" to us;
- b. The number of days shown on the Declarations from the date the location becomes a "newly acquired premises"; or
- c. The date this policy expires or is cancelled.

We will charge you additional premium for values reported from the date the location becomes a "newly acquired premises".

The most we will pay under this Additional Coverage at any one "newly acquired premises" is the Limit of Insurance shown on the Declarations for Newly Acquired Premises--Extra Expense.

4. Reported Unscheduled Premises

We will pay for the actual and necessary "extra expense" you incur due to direct physical loss of or damage to property at a "reported unscheduled premises". The loss or damage must be directly caused by a "covered cause of loss".

The most we will pay under this Additional Coverage at any one "reported unscheduled premises" is the Limit of Insurance shown on the Declarations for Reported Unscheduled Premises--Extra Expense.

5. Unreported Premises

We will pay for the actual and necessary "extra expense" you incur due to direct physical loss of or damage to your property at an "unreported premises". The loss or damage must be directly caused by a "covered cause of loss".

The most we will pay under this Additional Coverage at any one "unreported premises" is the Limit of Insurance shown on the Declarations for Unreported Premises--Extra Expense.

C. EXCLUSIONS

1. Real or Personal Property

The exclusions in paragraphs 4., 5., and 6. below and the excluded causes of loss in the REAL AND PERSONAL PROPERTY COVERAGE FORM, except Off Premises Service Interruption, apply to "extra expense" incurred, caused by or resulting from loss of or damage to any property other than:

- a. "Fine arts";
- b. "Original information property";
- c. "Outdoor trees, shrubs, plants, or lawns"; or
- d. "Green roofing systems".

2. Fine Arts

The exclusions in paragraphs 4., 5., and 6. below and the excluded causes of loss in the FINE ARTS COVERAGE FORM apply to "extra expense" incurred, caused by or resulting from loss of or damage to "fine arts".

3. Original Information Property

The exclusions in paragraphs 4., 5., and 6. below and the excluded causes of loss in the ORIGINAL INFORMATION PROPERTY COVERAGE FORM apply to "extra expense" incurred, caused by or resulting from loss of or damage to "original information property".

4. Off-Premises Service Interruption

We will not pay for "extra expense" incurred, caused by or resulting from any "off-premises service interruption". Such loss is excluded regardless of any other cause or event, including a "mistake", "malfunction", or weather condition, that contributes concurrently or in any sequence to the loss, even if such other cause or event would otherwise be covered.

5. Suspension, Lapse, or Cancellation

We will not pay for "extra expense" incurred, caused by or resulting from a suspension, lapse, or cancellation of any license, lease, or contract, unless the suspension, lapse, or cancellation is directly caused by the "suspension" of your "operations". If the suspension, lapse, or cancellation of any license, lease, or contract is directly caused by the "suspension" of your "operations", we will not pay for that portion of any "extra expense" incurred from such suspension, lapse, or cancellation which occurs after the "period of restoration".

6. Space and Space Related Risks

We will not pay for "extra expense" incurred, caused by or resulting from loss or damage to:

- a. Spacecraft, satellites, associated launch vehicles and any major components, including any property contained therein; or
- b. Launch facilities for spacecraft or satellites.

D. LIMITATIONS

1. Idle Periods

We will not pay for "extra expense" incurred during any period in which business would not or could not have been conducted for any reason other than:

- a. Direct physical loss of or damage to property as described in Section A., Coverage, above;
- b. A civil authority prohibiting access to the "premises" or "reported unscheduled premises" as described in the Civil Authority Additional Coverage above; or
- c. A physical obstruction affecting ingress or egress to the "premises" or "reported unscheduled premises" as described in the Ingress/Egress Additional Coverage above.

2. Strikers or Others Causing Delay

We will not pay for any increase in "extra expense" incurred, caused by delay in rebuilding, repairing, or replacing property or resuming "operations", due to the interference at the location of the rebuilding, repair, or replacement by strikers or other persons.

3. Outdoor Trees, Shrubs, Plants, or Lawns

We will not pay for "extra expense" incurred, caused by or resulting from loss of or damage to "outdoor trees, shrubs, plants, or lawns" unless the loss or damage is directly caused by fire, lightning, explosion, riot or civil commotion, or aircraft.

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

PPP-0132 (08 16)
Page 3 of 4

4. Green Roofing Systems

We will not pay for "extra expense" incurred, caused by or resulting from loss of or damage to "green roofing systems" unless the loss or damage is directly caused by a "covered cause of loss" other than loss or damage caused by or resulting from:

- a. Nestling or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents, or other animals;
- b. Disease;
- c. Changes in or extremes of temperature;
- d. Dampness or dryness of atmosphere or of soil supporting the vegetation; or
- e. Rain, snow, hail, ice, or sleet.

E. DEDUCTIBLE

We will not pay for any "extra expense" incurred in any one occurrence until the amount of "extra expense" incurred exceeds the applicable Deductibles shown on the Declarations. We will then pay the actual and necessary "extra expense" incurred in excess of the Deductibles up to the applicable Limits of Insurance.

F. LOSS DETERMINATION

1. Sources of Information

The amount of actual and necessary "extra expense" incurred will be based on relevant sources of information, including, but not limited to:

- a. Your financial records, tax returns, and accounting procedures;
- b. Bills, invoices, and other vouchers; and
- c. Deeds, liens, and contracts.

2. Extra Expense

The amount of actual and necessary "extra expense" incurred will be determined based on:

- a. All "extra expense" that exceeds the normal operating expenses that would have been incurred by your "operations" during the "period of restoration" if no direct physical loss or damage had occurred; and
- b. All expenses that reduce the "extra expense" that otherwise would have been incurred.

We will deduct from the total "extra expense" incurred the salvage value of any property bought for temporary use during the "period of restoration", once "operations" are resumed.

3. Resumption of Operations

We will reduce the amount of "extra expense" paid to the extent you can return "operations" to normal and discontinue such "extra expense".



Named Storm--Direct Damage and Time Element Deductible

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies the following:

ACCOUNTS RECEIVABLE COVERAGE FORM (REVENUE LOSS)
BUSINESS INCOME COVERAGE FORM (EXCLUDING EXTRA EXPENSE)
BUSINESS INCOME COVERAGE FORM INCLUDING RESEARCH AND DEVELOPMENT CONTINUING
EXPENSES (EXCLUDING EXTRA EXPENSE)--TECHNOLOGY
COMMERCIAL PROPERTY DEFINITIONS
CONTRACTOR'S EQUIPMENT COVERAGE FORM
EXTRA EXPENSE COVERAGE FORM
FINE ARTS COVERAGE FORM
INSTALLATION PROPERTY COVERAGE FORM
ORIGINAL INFORMATION PROPERTY COVERAGE FORM
REAL AND PERSONAL PROPERTY COVERAGE FORM
RESEARCH AND DEVELOPMENT PROPERTY COVERAGE FORM

- A.** The Named Storm--Direct Damage and Time Element Deductible only applies to loss or damage that, but for the application of the Deductible, would be paid by us under this Commercial Property Coverage Part.

All loss or damage arising out of the same "named storm" will constitute a single occurrence. For purposes of this insurance, a "named storm" begins at the time a Watch or Warning is issued by the U.S. National Oceanic and Atmospheric Administration, the U.S. National Weather Service, the Central Pacific Hurricane Center, the National Hurricane Center, or any comparable worldwide equivalent for the area in which the affected "premises" is located, and ends 72 hours after the termination of the last Watch or Warning issued for that area.

- B.** With respect to any "premises" at which a Named Storm--Direct Damage and Time Element Deductible is shown on the Declarations, the following is added to the Deductible section in the following forms:

ACCOUNTS RECEIVABLE COVERAGE FORM (REVENUE LOSS)
BUSINESS INCOME COVERAGE FORM (EXCLUDING EXTRA EXPENSE)
BUSINESS INCOME COVERAGE FORM INCLUDING RESEARCH AND DEVELOPMENT CONTINUING
EXPENSES (EXCLUDING EXTRA EXPENSE)--TECHNOLOGY
CONTRACTOR'S EQUIPMENT COVERAGE FORM
EXTRA EXPENSE COVERAGE FORM
FINE ARTS COVERAGE FORM
INSTALLATION PROPERTY COVERAGE FORM
ORIGINAL INFORMATION PROPERTY COVERAGE FORM
REAL AND PERSONAL PROPERTY COVERAGE FORM
RESEARCH AND DEVELOPMENT PROPERTY COVERAGE FORM

With respect to all loss or damage caused directly or indirectly by a "named storm", regardless of whether any other cause or event, including a "mistake", "malfunction", or another weather condition, contributes concurrently or in any sequence to the loss, the following applies:

Includes copyrighted material of Insurance Services Office, Inc., with its permission

PPP-0217 (03/14)
Page 1 of 2

EXHIBIT 1
Complaint
Page 140 of 192

Exhibit A
Page 163 of 270

We will not pay for loss, damage, cost, or expense at any one "premises" in any one occurrence until the amount of covered loss, damage, cost, or expense exceeds the Named Storm—Direct Damage and Time Element Deductible shown on the Declarations for that "premises". We will then pay for the amount of covered loss, damage, cost, or expense in excess of the Deductible, up to the applicable Limits of Insurance.

If more than one "premises" suffers loss or damage in one occurrence, the applicable Deductibles shown on the Declarations will apply separately and individually to the covered loss, damage, cost, or expense for each "premises".

The Named Storm Deductibles apply to all covered loss, damage, cost, or expense covered by "time element coverage" when the loss, damage, cost, or expense is caused directly or indirectly by a "named storm" even if no other deductible applies to the "time element coverage".

G. The following is added to the COMMERCIAL PROPERTY DEFINITIONS:

"Named storm" means any storm or weather disturbance that is named by the U.S. National Oceanic and Atmospheric Administration, the U.S. National Weather Service, the Central Pacific Hurricane Center, the National Hurricane Center, or any comparable worldwide equivalent.



Dependent Premises Business Income Coverage—Unscheduled Locations

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies the following:

**BUSINESS INCOME COVERAGE FORM (EXCLUDING EXTRA EXPENSE)
BUSINESS INCOME COVERAGE FORM INCLUDING RESEARCH AND DEVELOPMENT CONTINUING EXPENSES
(EXCLUDING EXTRA EXPENSE)—TECHNOLOGY
COMMERCIAL PROPERTY DEFINITIONS
EXTRA EXPENSE COVERAGE FORM**

A. COVERAGE

The following is added to Section A., Coverage, in the BUSINESS INCOME COVERAGE FORM (EXCLUDING EXTRA EXPENSE) and Section A., Coverages, in the BUSINESS INCOME COVERAGE FORM INCLUDING RESEARCH AND DEVELOPMENT CONTINUING EXPENSES (EXCLUDING EXTRA EXPENSE)—TECHNOLOGY:

We will also pay for the actual loss of "business income" you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property, including property in the open (or in a vehicle), at a "dependent premises". The loss or damage must be directly caused by a "covered cause of loss".

The most we will pay in any one occurrence is the Limit of Insurance shown on the Declarations for Dependent Premises Business Income—Unscheduled Locations.

B. ADDITIONAL COVERAGES

With respect to a "suspension" of your "operations" caused by direct physical loss of or damage to property, including property in the open (or in a vehicle), at a "dependent premises", the Civil Authority and Contractual Penalties Additional Coverages in the BUSINESS INCOME COVERAGE FORM (EXCLUDING EXTRA EXPENSE) and the BUSINESS INCOME COVERAGE FORM INCLUDING RESEARCH AND DEVELOPMENT CONTINUING EXPENSES (EXCLUDING EXTRA EXPENSE)—TECHNOLOGY are replaced by the following:

Civil Authority

We will pay for the actual loss of "business income" you sustain for up to 30 days resulting from the necessary "suspension", or delay in the start, of your "operations" if the "suspension" or delay is caused by order of civil authority that prohibits access to a "dependent premises". That order must result from a civil authority's response to direct physical loss of or damage to property located within one mile from the "dependent premises". The loss or damage must be directly caused by a "covered cause of loss".

The most we will pay under this Additional Coverage is the Limit of Insurance shown on the Declarations for Dependent Premises Business Income—Unscheduled Locations.

The Limit for this Additional Coverage is included in, and not in addition to, that Limit of Insurance.

Contractual Penalties

We will pay contractual penalties you are legally liable to pay under the provisions of a written contract due to late or non-completion of orders. Those penalties must be the result of direct physical loss of or damage to property at a "dependent premises". The loss or damage must be directly caused by a "covered cause of loss".

Includes copyrighted material of Insurance Services Office, Inc., with its permission

PPP-0302 (03 14)
Page 1 of 3

The most we will pay under this Additional Coverage in any one occurrence is the Limit of Insurance shown on the Declarations for Contractual Penalties.

C. OPTIONAL COVERAGE

If a Blanket Business Income and Extra Expense Limit of Insurance is shown on the Declarations, the following Optional Coverage is added to Section A., Coverage, in the EXTRA EXPENSE COVERAGE FORM:

We will pay for the actual and necessary "extra expense" you incur due to direct physical loss of or damage to property, including property in the open (or in a vehicle), at a "dependent premises". The loss or damage must be directly caused by a "covered cause of loss". The most we will pay in any one occurrence is the Limit of Insurance shown on the Declarations for Dependent Premises Business Income--Unscheduled Locations. This Limit is included in, and not in addition to, any other applicable Limit of Insurance.

If a Blanket Business Income and Extra Expense Limit of Insurance applies, the Civil Authority Additional Coverage in the EXTRA EXPENSE COVERAGE FORM applies to the actual and necessary "extra expense" you incur for up to 30 days after an order of civil authority prohibits access to that "dependent premises". That order must result from a civil authority's response to direct physical loss of or damage to property located within one mile from the "dependent premises". The loss or damage must be directly caused by a "covered cause of loss". The most we will pay under this Additional Coverage is the Limit of Insurance shown on the Declarations for Dependent Premises Business Income--Unscheduled Locations. The Limit for this Additional Coverage is included in, and not in addition to, any other applicable Limit of Insurance.

D. LOSS DETERMINATION

With respect to a "suspension" of "operations" caused by direct physical loss of or damage to a "dependent premises", the Resumption of Operations Loss Determination in the BUSINESS INCOME COVERAGE FORM (EXCLUDING EXTRA EXPENSE) and the BUSINESS INCOME COVERAGE FORM INCLUDING RESEARCH AND DEVELOPMENT CONTINUING EXPENSES (EXCLUDING EXTRA EXPENSE)--TECHNOLOGY is replaced by the following:

Resumption of Operations

We will reduce the amount of "business income" loss payment to the extent you could resume your "operations", in whole or in part, by using:

- a. Sources of materials or services; or
 - b. Outlets for your products or services,
- available to you.

E. DEFINITIONS

With respect to a "suspension" of "operations" caused by direct physical loss of or damage to property at a "dependent premises", the "period of restoration" definition in the COMMERCIAL PROPERTY DEFINITIONS is replaced by the following:

"Period of restoration" means the period of time that:

- a. Begins when the direct physical loss of or damage to property at a "dependent premises" occurs; and
- b. Ends on the date when the property at that "dependent premises" should be repaired, rebuilt, or replaced with reasonable speed and similar quality.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of "pollutants" or "microorganisms".

The expiration of this policy will not cut short the "period of restoration".

- F. Coverage provided by this endorsement does not apply at any location at which "business income" coverage is provided by any other Coverage Form included in this Commercial Property Coverage Part.

includes copyrighted material of Insurance Services Office, Inc., with its permission

PPP-0302 (03 14)
Page 3 of 3

EXHIBIT 1
Complaint
Page 144 of 192

Exhibit A
Page 167 of 270



ZURICH

Enabling Endorsement

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies the following:

**COMMERCIAL PROPERTY CONDITIONS
REAL AND PERSONAL PROPERTY COVERAGE FORM**

The provisions of any forms or endorsements that make reference to the BUILDING AND PERSONAL PROPERTY COVERAGE FORM or the CAUSES OF LOSS SPECIAL FORM are applicable to the COMMERCIAL PROPERTY CONDITIONS and the REAL AND PERSONAL PROPERTY COVERAGE FORM.

Includes copyrighted material of ISO Properties, Inc. with its permission
Copyright, ISO Properties, Inc.

PPP-0308 (06 06)
Page 1 of 1

EXHIBIT 1
Complaint
Page 145 of 192

Exhibit A
Page 168 of 270



Healthcare Industry Coverage

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies the following:

**ADDITIONAL COVERAGES FORM
BUSINESS INCOME COVERAGE FORM (EXCLUDING EXTRA EXPENSE)
BUSINESS INCOME COVERAGE FORM INCLUDING RESEARCH AND DEVELOPMENT CONTINUING EXPENSES
(EXCLUDING EXTRA EXPENSE)-TECHNOLOGY
COMMERCIAL PROPERTY DEFINITIONS**

A. The following are added to Section A., Additional Coverages, in the ADDITIONAL COVERAGES FORM:

Decontamination Expense

If loss or damage to Covered Property from "pollutants" is the result of a "covered cause of loss", and there is an ordinance or law in effect at the time the covered loss or damage occurs that requires you to clean up, remove, decontaminate, or restore Covered Property, we will pay the reasonable expenses you incur to clean up, remove, decontaminate, or restore Covered Property to comply with such ordinance or law.

This Additional Coverage does not apply to expenses to comply with any ordinance or law that you were required to comply with before the loss or damage occurred.

The most we will pay under this Additional Coverage at any one "premises" or "reported unscheduled premises" is the Limit of Insurance shown on the Declarations for Decontamination Expense.

Mobile Medical Equipment

- a. We will pay for direct physical loss of or damage to "mobile medical equipment" directly caused by a "covered cause of loss".
- b. We will determine the amount of covered loss or damage as follows:
 - 1) Except as provided in 2) and 3) below, the lesser of the following amounts:
 - a) The cost to replace the "mobile medical equipment" at the time of direct physical loss or damage with new materials of like kind and quality;
 - b) The total payments you make to an entity you do not own or operate at the time of loss or damage to repair or rebuild the "mobile medical equipment" with new materials of the same kind and quality; or
 - c) For services to repair or rebuild "mobile medical equipment" provided by an entity you own or operate at the time of loss or damage:
 - i) Direct payroll cost for labor directly chargeable to the repair or rebuilding of the damaged "mobile medical equipment";

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

PPP-0409 (08 16)
Page 1 of 3

EXHIBIT 1
Complaint
Page 146 of 192

Exhibit A
Page 169 of 270

ii) The proper proportion of your overhead charges, calculated in accordance with principles of Direct Costing;

iii) Expenses for the dismantling, transportation, and reassembly; and

iv) Materials at your cost;

2) Except as provided in 3) below, "mobile medical equipment" which is not repaired, rebuilt, or replaced will be valued at the "actual cash value" at the time and place of loss or damage. If you commence the repair, rebuilding, or replacement of the lost or damaged "mobile medical equipment" within 24 months from the date the loss or damage occurred, upon completion of the repair, rebuilding, or replacement, we will pay you the difference between the "actual cash value" previously paid and the cost to repair, rebuild or replace at the time of loss or damage.

3) "Mobile medical equipment" which has been permanently removed from service at "actual cash value".

For "mobile medical equipment" which is repaired, rebuilt, or replaced, the valuation includes the cost you paid for non-refundable or non-transferable extended warranties, maintenance contracts, or service contracts which were still in force at the time of loss or damage and are no longer valid as a result of loss of or damage to "mobile medical equipment".

c. In the event of any loss or damage to "mobile medical equipment" in transit, you must immediately make a claim in writing against the carrier, bailee, or others involved.

d. The most we will pay under this Additional Coverage in any one occurrence and for any one unit are the Limits of Insurance shown on the Declarations for Mobile Medical Equipment.

Patient Evacuation

If your patients are temporarily evacuated from a "premises" or "reported unscheduled premises" to protect them from imminent injury due to a "covered cause of loss", we will pay the reasonable and necessary expenses you incur for the patients' temporary evacuation from and subsequent return to such "premises" or "reported unscheduled premises".

The most we pay under this Additional Coverage at any one "premises" or "reported unscheduled premises" is the Limit of Insurance shown on the Declarations for Patient Evacuation.

Radioactive Contamination

We will pay for direct physical loss of or damage to Covered Property at a "premises" or "reported unscheduled premises" directly or indirectly caused by sudden and accidental radioactive contamination, including resultant radiation damage, provided:

a. The radioactive contamination arises out of material on the "premises" or "reported unscheduled premises" which is commonly known to be radioactive;

b. Radioactive material is kept on the "premises" or "reported unscheduled premises" for the purpose of your business activities; and

c. The "premises" or "reported unscheduled premises" does not contain:

1) A nuclear reactor capable of sustaining nuclear fission in a self-supporting chain reaction; or

2) Any nuclear fuel that is intended for or which has been used in that type of nuclear reactor.

The most we will pay under this Additional Coverage at any one "premises" or "reported unscheduled premises" is the Limit of Insurance shown on the Declarations for Radioactive Contamination.

The Limit for this Additional Coverage is included in, and not in addition to, any other applicable Limits of Insurance.

B. Communicable Disease Suspension of Operations--Business Income

If the BUSINESS INCOME COVERAGE FORM (EXCLUDING EXTRA EXPENSE) or BUSINESS INCOME COVERAGE FORM INCLUDING RESEARCH AND DEVELOPMENT CONTINUING EXPENSES (EXCLUDING EXTRA EXPENSE)--TECHNOLOGY is included in this Commercial Property Coverage Part, the coverage provided at a "premises" or "reported unscheduled premises" will also cover the actual loss of "business income" you sustain due to an order of an authorized public health official or governmental authority that prevents access to that "premises" or "reported unscheduled premises", or a portion of that "premises" or "reported unscheduled premises", because of the discovery or suspicion of a communicable disease or threat of the spread of a communicable disease at that "premises" or "reported unscheduled premises".

Coverage provided applies only to the actual loss of "business income" you sustain, which begins 24 hours after you receive notice of closing by the authorized public health official or governmental authority, until the public health official or governmental authority authorizes you to reopen, or 90 days, whichever is earlier.

The most we will pay under this Additional Coverage at any one "premises" or "reported unscheduled premises" is the Limit of Insurance shown on the Declarations for Communicable Disease Suspension of Operations--Business Income.

This Limit for this Additional Coverage is included in, and not in addition to, any other applicable Limits of Insurance.

C. The following definition is added to the COMMERCIAL PROPERTY DEFINITIONS:

"Mobile medical equipment" means:

- a. Medical diagnostic, laboratory, or treatment equipment used for mobile hospital services, including any trailer to which that equipment is permanently attached;
- b. Supplies, generators, and batteries used to support mobile hospital services; or
- c. Self-propelled vehicles designed and used primarily to carry medical diagnostic, laboratory, or treatment equipment, while at your "premises" or "reported unscheduled premises";

owned by you, or owned by others but in your care, custody, or control.

"Mobile medical equipment" does not mean aircraft.

D. The definition of "personal property" in the COMMERCIAL PROPERTY DEFINITIONS is amended by adding "mobile medical equipment" to the list of items that "personal property" does not mean.



Alaska Changes

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies the following:

COMMERCIAL PROPERTY CONDITIONS

- A. The following is added and supercedes any provision to the contrary:

A loss may be caused by a chain of causes. If a "**covered cause of loss**" is the dominant cause of such a loss, we will not deny coverage on the basis that a secondary cause in that chain is not a "**covered cause of loss**".

- B. Under the Duties in the Event of Loss or Damage Condition, the insured is entitled to have counsel present during any examination taken under oath.

- C. The Concealment, Misrepresentation, or Fraud Condition is replaced by the following:

CONCEALMENT, MISREPRESENTATION, OR FRAUD

We will not pay for any loss or damage in any case involving misrepresentations, omissions, concealment of facts, or incorrect statements:

1. That are fraudulent;
2. That are material either to the acceptance of the risk, or to the hazard assumed by us; or
3. If we, in good faith, would not have:
 - a. Issued the policy or contract;
 - b. Issued a policy or contract in as large an amount, or at the same premium or rate; or
 - c. Provided coverage with respect to the hazard resulting in the loss;if the true facts had been made known to us as required either by the application for the policy or contract or otherwise.

- D. The Legal Action Against Us Condition is replaced by the following:

LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Commercial Property Coverage Part unless all of the following apply:

1. There has been full compliance with all of the terms of this Commercial Property Coverage Part;
2. We have not been prejudiced by a delay caused by you; and
3. The legal action is brought within 3 years after the date on which the direct physical loss or damage occurred.

- E. The Other Insurance Condition is replaced by the following:
OTHER INSURANCE

Includes copyrighted material of Insurance Services Office, Inc., with its permission

PPP-1541 (06 11)
Page 1 of 2

1. You may have other insurance. If you do, we will pay our share of the covered loss or damage. Subject to 2. below, our share is the proportion that the applicable Limit of Insurance under this Commercial Property Coverage Part bears to the Limits of Insurance of all Insurance covering the loss or damage on the same basis.
2. If there is other insurance as described below, we will pay under this Commercial Property Coverage Part only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not:
 - a. The property covered under this insurance is also covered under another policy (or another Coverage Part in this policy), in which it is more specifically described; or
 - b. The other insurance covers your interest or the interest of others in property which you do not own.

F. Except as provided in G. below, the Appraisal Condition is replaced by the following:

If you and we fail to agree on the value of the property or the amount of loss, either may make a written demand for an appraisal of the loss. In this event, within 10 days of the demand, each party will choose a competent, disinterested, and impartial appraiser who has no direct or indirect financial interest in the claim and will notify the other of the appraiser selected. The two appraisers will promptly choose a competent and impartial umpire. If they cannot agree, either may request that the choice be made by a judge of a court having jurisdiction. Not later than 15 days after the umpire has been chosen, unless this time period is extended by the umpire, each appraiser will separately state, in writing, the value of each item of lost or damaged property as of the date of loss and the amount of loss in accordance with the Valuation provisions of the applicable Coverage Form or, if not stated, the "actual cash value" and "replacement cost". If the appraisers submit a written report of an agreement on the value of the property and the amount of loss, that agreement will be binding. If they fail to agree, they will promptly submit their differences to the umpire. A decision agreed to by one of the appraisers and the umpire will be binding. Each party will:

1. Pay its own counsel and adjuster fees; and
2. Bear those other expenses and fees which are incurred as a result of the appraisal, either in entirety or proportionately, as determined by the umpire.

Neither party waives any rights under this Commercial Property Coverage Part by agreeing to an appraisal.

G. The Appraisal Condition is replaced by the following with respect to losses covered by the BUSINESS INCOME COVERAGE FORM (EXCLUDING EXTRA EXPENSE) and the BUSINESS INCOME COVERAGE FORM INCLUDING RESEARCH AND DEVELOPMENT CONTINUING EXPENSES (EXCLUDING EXTRA EXPENSE)-TECHNOLOGY:

If you and we fail to agree on the amount of "net income" and "continuing expenses" or the amount of loss, either may make a written demand for an appraisal of the loss. In this event, within 10 days of the demand, each party will choose a competent, disinterested, and impartial appraiser who has no direct or indirect financial interest in the claim and will notify the other of the appraiser selected. The two appraisers will promptly choose a competent and impartial umpire. If they cannot agree, either may request that the choice be made by a judge of a court having jurisdiction. Not later than 15 days after the umpire has been chosen, unless this time period is extended by the umpire, each appraiser will separately state, in writing, the amount of "net income" and "continuing expenses" or the amount of loss. If the appraisers submit a written report of an agreement on the amount of "net income" and "continuing expenses" or the amount of loss, that agreement will be binding. If they fail to agree, they will promptly submit their differences to the umpire. A decision agreed to by one of the appraisers and the umpire will be binding. Each party will:

1. Pay its own counsel and adjuster fees; and
2. Bear those other expenses and fees which are incurred as a result of the appraisal, either in entirety or proportionately, as determined by the umpire.

Neither party waives any rights under this Commercial Property Coverage Part by agreeing to an appraisal.



ZURICH

Alaska Changes--Fungus Exclusion

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies the following:

**ACCOUNTS RECEIVABLE COVERAGE FORM (REVENUE LOSS)
COMMERCIAL PROPERTY DEFINITIONS
FINE ARTS COVERAGE FORM
INSTALLATION PROPERTY COVERAGE FORM
INSTALLATION AND SERVICE PROPERTY COVERAGE FORM
ORIGINAL INFORMATION PROPERTY COVERAGE FORM
REAL AND PERSONAL PROPERTY COVERAGE FORM
RESEARCH AND DEVELOPMENT COVERAGE FORM
RIGGERS LIABILITY COVERAGE FORM
TRANSIT COVERAGE FORM**

A. With respect to the following forms:

**ACCOUNTS RECEIVABLE COVERAGE FORM (REVENUE LOSS)
FINE ARTS COVERAGE FORM
INSTALLATION PROPERTY COVERAGE FORM
INSTALLATION AND SERVICE PROPERTY COVERAGE FORM
ORIGINAL INFORMATION PROPERTY COVERAGE FORM
REAL AND PERSONAL PROPERTY COVERAGE FORM
RESEARCH AND DEVELOPMENT COVERAGE FORM
RIGGERS LIABILITY COVERAGE FORM
TRANSIT COVERAGE FORM**

The following exclusion is added to the Excluded Causes of Loss section:

Fungus

We will not pay for loss or damage caused by or resulting from **"fungus"**. This exclusion applies even if the **"fungus"** was caused by or resulted from a **"mistake"** or **"malfunction"**. But if a result of the **"fungus"** is a **"covered cause of loss"**, we will pay for that portion of the loss or damage which was solely caused by that **"covered cause of loss"**.

B. The definition of "fungus" in the COMMERCIAL PROPERTY DEFINITIONS is replaced by the following:

"Fungus" means any type or form of fungus, including mold or mildew, or toxins, spores, scents, or by-products produced or released by fungi.

"Fungus" does not mean **"microorganism"**.

C. The definition of "microorganism" in the COMMERCIAL PROPERTY DEFINITIONS is replaced by the following:

"Microorganism" means any type or form of organism of microscopic or ultramicroscopic size including, but not limited to, wet or dry rot, virus, algae, or bacteria, or any by-product.

Includes copyrighted material of Insurance Services Office, Inc., with its permission

PPP-1542 (08 09)

Page 1 of 1

EXHIBIT 1
Complaint
Page 151 of 192

Exhibit A
Page 174 of 270



Alaska Changes--Termination of Employee

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies Insurance provided under the following:

CRIME COVERAGE FORM

Paragraph 1.a., Cancellation as to Any Employee, in the Cancellation as to Any Employee condition in Section D., Additional Conditions, is deleted and replaced by the following:

Cancellation as to Any Employee

This insurance is cancelled as to any "employee":

- 1) Immediately upon discovery by you or any of your partners, "members", "managers", officers, directors, or trustees not in collusion with the "employee" of "theft" or any other dishonest act committed by the "employee" whether before or after becoming employed by you.
- 2) On the date specified in a notice mailed to the first Named Insured. That date will be at least 60 days after the date of mailing.

We will mail our notice by first class mail to the first Named Insured's last mailing address known to us and obtain a certificate of mailing from the United States Postal Service. Proof of mailing will be sufficient proof of notice.

Includes copyrighted material of Insurance Services Office, Inc., with its permission

PPP-1543 (02 10)
Page 1 of 1

EXHIBIT 1
Complaint
Page 152 of 192

Exhibit A
Page 175 of 270



**THIS NOTICE DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND
CONDITIONS OF ANY COVERAGE UNDER THE POLICY.**

**NOTICE REGARDING TERRORISM PREMIUM
(FOR COMMERCIAL AUTOMOBILE INSURANCE)**

SCHEDULE*

Premium attributable to risk of loss resulting from terrorism for the Commercial Automobile line of insurance:	
Automobile	\$27.00

*Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Terrorism Risk Insurance Act ("TRIA")

The Commercial Automobile line is not part of TRIA. On December 22, 2005, the President of the United States signed the first TRIA extension act into law and, at that time, the Commercial Auto line was removed from the program. The federal government does not share in Commercial Automobile terrorism losses..

B. Disclosure of Terrorism Premium

We have elected to provide notice to you of the amount of the total policy premium attributable to the risk of loss from terrorism for the Commercial Automobile line of insurance.

Copyright - 2008 Zurich American Insurance Company
Includes copyrighted material of Insurance Services Office, Inc., with its permission

U-CA-531-B (2/08)
Page 1 of 1

EXHIBIT 1
Complaint
Page 153 of 192

Exhibit A
Page 176 of 270

POLICY NUMBER: PRA 9551494-00

COMMERCIAL AUTO

ZURICH AMERICAN INSURANCE COMPANY

1299 Zurich Way
Schaumburg, Illinois 60196-1056
1-800-382-2150

BUSINESS AUTO DECLARATIONS

ITEM ONE

PRODUCER:
MARSH & MCLENNAN AGENCY LLC

NAMED INSURED: BAXTER SENIOR LIVING, LLC

MAILING ADDRESS: PO BOX 90834
ANCHORAGE, AK 99509

POLICY PERIOD: From 09-01-2019 to 09-15-2020 at 12:01 A.M. Standard Time at your
mailing address shown above

PREVIOUS POLICY NUMBER: NEW

FORM OF BUSINESS:

☐ CORPORATION

☒ LIMITED LIABILITY COMPANY

☐ INDIVIDUAL

☐ PARTNERSHIP

☐ OTHER

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY,
WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

Premium shown is payable at inception: \$ 2,713.00								
AUDIT PERIOD (IF APPLICABLE)	<input type="checkbox"/>	ANNUALLY	<input type="checkbox"/>	SEMI-ANNUALLY	<input type="checkbox"/>	QUARTERLY	<input type="checkbox"/>	MONTHLY

ENDORSEMENTS ATTACHED TO THIS POLICY:

IL 00 17 - Common Policy Conditions (IL 01 46 in Washington)

IL 00 21 - Broad Form Nuclear Exclusion (not Applicable in New York) (IL 01 98 in Washington)

SEE SCHEDULE OF FORMS AND ENDORSEMENTS

COUNTERSIGNED _____ BY _____
(Date) (Authorized Representative)

U-CA-D-600-C 04 14

Page 1

EXHIBIT 1
Complaint
Page 154 of 192

Exhibit A
Page 177 of 270

ITEM TWO

Schedule Of Coverages And Covered Autos

This policy provides only those coverages where a charge is shown in the premium column below. Each of these coverages will apply only to those "autos" shown as covered "autos". "Autos" are shown as covered "autos" for a particular coverage by the entry of one or more of the symbols from the Covered Autos section of the Business Auto Coverage Form next to the name of the coverage.

COVERAGES	COVERED AUTOS	LIMIT	PREMIUM
COVERED AUTOS LIABILITY	1	\$1,000,000	\$ 1,706
PERSONAL INJURY PROTECTION (or equivalent No-fault Coverage)		SEPARATELY STATED IN EACH P.I.P. ENDORSEMENT MINUS DEDUCTIBLE.	
ADDED PERSONAL INJURY PROTECTION (or equivalent Added No-fault Coverage)		SEPARATELY STATED IN EACH ADDED P.I.P. ENDORSEMENT.	
PROPERTY PROTECTION INSURANCE (Michigan only)		SEPARATELY STATED IN THE PROPERTY PROTECTION INSURANCE ENDORSEMENT MINUS DEDUCTIBLE FOR EACH ACCIDENT.	
AUTO MEDICAL PAYMENTS	2	\$ 5,000 EACH INSURED	\$ 33
MEDICAL EXPENSE AND INCOME LOSS BENEFITS (Virginia only)		SEPARATELY STATED IN THE MEDICAL EXPENSE AND INCOME LOSS BENEFITS ENDORSEMENT.	
UNINSURED MOTORISTS	2	\$ 1,000,000	\$ 135
UNDERINSURED MOTORISTS (When not included in Uninsured Motorists Coverage)	2	SEE ENDT	INCL
PHYSICAL DAMAGE COMPREHENSIVE COVERAGE	2, 8	ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS, MINUS SEE ENDT DEDUCTIBLE FOR EACH COVERED AUTO, BUT NO DEDUCTIBLE APPLIES TO LOSS CAUSED BY FIRE OR LIGHTNING. See ITEM FOUR For Hired or Borrowed Autos.	\$ 145
PHYSICAL DAMAGE SPECIFIED CAUSES OF LOSS COVERAGE		ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS, MINUS DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY MISCHIEF OR VANDALISM. See ITEM FOUR For Hired Or Borrowed Autos.	
PHYSICAL DAMAGE COLLISION COVERAGE	2, 8	ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS, MINUS SEE ENDT DEDUCTIBLE, FOR EACH COVERED AUTO. See ITEM FOUR For Hired Or Borrowed Autos.	\$ 614
PHYSICAL DAMAGE TOWING AND LABOR		FOR EACH DISABLEMENT OF A PRIVATE PASSENGER AUTO.	
TAX/SURCHARGE/FEE			
PREMIUM FOR ENDORSEMENTS			\$ 80
*ESTIMATED TOTAL PREMIUM			\$ 2,713.00

*This policy may be subject to final audit.

ITEM THREE

SCHEDULE OF COVERED AUTOS YOU OWN

Covered Auto No.	DESCRIPTION		TERRITORY		Original Cost New		
	Year, Model, Trade Name, Body Type Serial Number (S) Vehicle Identification Number (VIN)		Town & State Where The Covered Auto Will Be Principally Garaged				
AK1	2019, CHEVROLET TRAVERSE LT, 1GNEVHKW2KJ283402		ANCHORAGE AK, 101		\$ 41,000 ACV		
Covered Auto No.	CLASSIFICATION						EXCEPT For Towing, All Physical Damage Loss Is Payable To You And The Loss Payee Named Below According To Their Interests In The Auto At The Time Of The Loss:
	Radius Of Operation	Business Use s= service r= retail c= commercial	Size GVW, GCW Or Vehicle Seating Capacity	Age Group	Secondary Rating Classification	Code	
AK1				1		739100	
Covered Auto No.	COVERAGES - PREMIUMS, LIMITS AND DEDUCTIBLES						
	(Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)						
	COVERED AUTOS LIABILITY		PERSONAL INJURY PROTECTION		ADDED P.I.P.	PROPERTY PROTECTION (Michigan Only)	
	Limit	Premium	Limit Stated In Each P.I.P. Endt. Minus Deductible Shown Below	Premium	Premium For Limit Stated In Each Added P.I.P. Endt.	Limit Stated In P.I.P. Endt. Minus Deductible Shown Below	Premium
AK1	\$ 1,000,000	\$ 1,171					
Total Premium		\$ 1,171					

ITEM THREE

SCHEDULE OF COVERED AUTOS YOU OWN (Continued)

COVERAGES - PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)							
Covered Auto No.	AUTO MEDICAL PAYMENTS		MEDICAL EXPENSE AND INCOME LOSS BENEFITS (Virginia Only)		UNINSURED MOTORISTS		UNDERINSURED MOTORISTS
	Limit Each Insured	Premium	Limit Stated In The Medical Expense and Income Loss Benefits Endorsement For Each Person	Premium	Limit	Premium	Premium
AK1	\$5,000	\$ 33			\$ 1,000,000	\$ 135	INCL
Total Premium		\$ 33				\$ 135	INCL

COVERAGES - PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)								
Covered Auto No.	COMPREHENSIVE		SPECIFIED CAUSES OF LOSS		COLLISION		TOWING & LABOR	
	Limit Stated In ITEM TWO Minus Deductible Shown Below	Premium	Limit Stated In ITEM TWO Minus Deductible Shown Below	Premium	Limit Stated In ITEM TWO Minus Deductible Shown Below	Premium	Limit Per Disablement	Premium
AK1	\$ 1,000	\$ 132			\$ 1,000	\$ 602		
Total Premium		\$ 132				\$ 602		

ITEM FOUR

SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS

COVERED AUTOS LIABILITY COVERAGE – Cost Of Hire Rating Basis for Autos Used In Your Motor Carrier Operations (Other Than Mobile Or Farm Equipment)			
COVERED AUTOS LIABILITY COVERAGE	STATE	ESTIMATED ANNUAL COST OF HIRE FOR EACH STATE	PREMIUM
Primary Coverage	AK	\$ 5,000	\$ 352
Excess Coverage			
TOTAL HIRED AUTO PREMIUM			\$ 352
<p>For "autos" used in your motor carrier operations, cost of hire means:</p> <ol style="list-style-type: none"> 1. The total dollar amount of costs you incurred for the hire of automobiles (includes "trailers" and semitrailers), and if not included therein, 2. The total remunerations of all operators and drivers' helpers, of hired automobiles whether hired with a driver by lessor or an "employee" of the lessee, or any other third party, and 3. The total dollar amount of any other costs (i.e., repair, maintenance, fuel, etc.) directly associated with operating the hired automobiles whether such costs are absorbed by the "insured", paid to the lessor or owner, or paid to others. 			

COVERED AUTOS LIABILITY COVERAGE – Cost Of Hire Rating Basis for Autos NOT Used In Your Motor Carrier Operations (Other Than Mobile Or Farm Equipment)			
COVERED AUTOS LIABILITY COVERAGE	STATE	ESTIMATED ANNUAL COST OF HIRE FOR EACH STATE	PREMIUM
Primary Coverage			
Excess Coverage			
TOTAL HIRED AUTO PREMIUM			
<p>For "autos" NOT used in your motor carrier operations, cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.</p>			

ITEM FOUR

SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS (Cont'd)

Physical Damage Coverages – Cost Of Hire Rating Basis For All Autos (Other Than Mobile or Farm Equipment)				
COVERAGE	STATE	LIMIT OF INSURANCE	ESTIMATED ANNUAL COST OF HIRE FOR EACH STATE (Excluding Autos Hired With A Driver)	PREMIUM
COMPREHENSIVE	AK	ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS, MINUS \$ 100 DEDUCTIBLE FOR EACH COVERED AUTO, BUT NO DEDUCTIBLE APPLIES TO LOSS CAUSED BY FIRE OR LIGHTNING.	IF ANY	\$ 13
SPECIFIED CAUSES OF LOSS		ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS, MINUS DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY MISCHIEF OR VANDALISM.		
COLLISION	AK	ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS, MINUS \$ 500 DEDUCTIBLE FOR EACH COVERED AUTO.	IF ANY	\$ 12
TOTAL HIRED AUTO PREMIUM				\$ 25
For Physical Damage Coverages, cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for any "auto" that is leased, hired, rented or borrowed with a driver.				

ITEM FOUR

SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS (Cont'd)

Cost Of Hire Rating Basis For Mobile Or Farm Equipment – Other Than Physical Damage Coverages					
COVERAGE	STATE	ESTIMATED ANNUAL COST OF HIRE FOR EACH STATE		PREMIUM	
		Mobile Equipment	Farm Equipment	Mobile Equipment	Farm Equipment
Covered Autos Liability – Primary Coverage					
Covered Autos Liability – Excess Coverage					
Personal Injury Protection					
Medical Expense Benefits (Virginia Only)					
Income Loss Benefits (Virginia Only)					
Auto Medical Payments					
TOTAL HIRED AUTO PREMIUM					
Cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.					

ITEM FOUR

SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS (Cont'd)

Cost Of Hire Rating Basis For Mobile or Farm Equipment -- Physical Damage Coverages						
COVERAGE	STATE	LIMIT OF INSURANCE	ESTIMATED ANNUAL COST OF HIRE FOR EACH STATE (Excluding Autos Hired With A Driver)		PREMIUM	
			Mobile Equipment	Farm Equipment	Mobile Equipment	Farm Equipment
COMPREHENSIVE		ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS, MINUS DEDUCTIBLE FOR EACH COVERED AUTO, BUT NO DEDUCTIBLE APPLIES TO LOSS CAUSED BY FIRE OR LIGHTNING.				
SPECIFIED CAUSES OF LOSS		ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS, MINUS DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY MISCHIEF OR VANDALISM.				
COLLISION		ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS, MINUS DEDUCTIBLE FOR EACH COVERED AUTO.				
TOTAL HIRED AUTO PREMIUM						
For Physical Damage Coverages, cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for any auto that is leased, hired, rented or borrowed with a driver.						

ITEM FOUR

SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS (Cont'd)

Rental Period Rating Basis For Mobile Or Farm Equipment					
COVERAGE	TOWN AND STATE WHERE THE JOB SITE IS LOCATED	ESTIMATED NUMBER OF DAYS EQUIPMENT WILL BE RENTED		PREMIUM	
		Mobile Equipment	Farm Equipment	Mobile Equipment	Farm Equipment
Covered Autos Liability – Primary Coverage					
Covered Autos Liability – Excess Coverage					
Personal Injury Protection					
Medical Expense Benefits (Virginia Only)					
Income Loss Benefits (Virginia Only)					
Auto Medical Payments					
TOTAL HIRED AUTO PREMIUMS					

ITEM FIVE

SCHEDULE FOR NON-OWNERSHIP COVERED AUTOS LIABILITY

NAMED INSURED'S BUSINESS	RATING BASIS	NUMBER	PREMIUM
Other Than Garage Service Operations And Other Than Social Service Agencies	Number Of Employees	3	\$ 183
	Number Of Partners (Active and Inactive)		
Garage Service Operations	Number Of Employees Whose Principal Duty Involves The Operation Of Autos		
	Number Of Partners (Active and Inactive)		
Social Service Agencies	Number Of Employees		
	Number Of Volunteers Who Regularly Use Autos To Transport Clients		
	Number Of Partners (Active and Inactive)		
TOTAL NON-OWNERSHIP COVERED AUTOS LIABILITY PREMIUM			\$ 183

ITEM SIX
SCHEDULE FOR GROSS RECEIPTS OR MILEAGE BASIS

Type Of Risk (Check one):	<input type="checkbox"/> Public Autos	<input type="checkbox"/> Leasing Or Rental Concerns
Rating Basis (Check one):	<input type="checkbox"/> Gross Receipts (Per \$100)	<input type="checkbox"/> Mileage (Per Mile)
Estimated Yearly (Check One):	<input type="checkbox"/> Gross Receipts (Per \$100)	<input type="checkbox"/> Mileage
Premiums		
Covered Autos Liability		
Personal Injury Protection		
Added Personal Injury Protection		
Property Protection Insurance (Michigan Only)		
Auto Medical Payments		
Medical Expense And Income Loss Benefits (Virginia Only)		
Comprehensive		
Specified Causes Of Loss		
Collision		
Towing And Labor		

When used as a premium basis:

FOR PUBLIC AUTOS

Gross receipts means the total amount earned by the named insured for transporting passengers, mail and merchandise.

Gross receipts does not include:

1. Amounts paid to air, sea or land carriers operating under their own permits.
2. Advertising revenue.
3. Taxes collected as a separate item and paid directly to the government.
4. C.O.D. collections for cost of mail or merchandise including collection fees.

Mileage means the total live and dead mileage of all revenue producing "autos" during the policy period.

FOR RENTAL OR LEASING CONCERNS

Gross receipts means the total amount earned by the named insured for the leasing or renting of "autos" to others without drivers.

Mileage means the total live and dead mileage of all "autos" you leased or rented to others without drivers.

BUSINESS AUTO COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V - Definitions.

SECTION I - COVERED AUTOS

Item Two of the Declarations shows the "autos" that are covered "autos" for each of your coverages. The following numerical symbols describe the "autos" that may be covered "autos". The symbols entered next to a coverage on the Declarations designate the only "autos" that are covered "autos".

A. Description Of Covered Auto Designation Symbols

Symbol	Description Of Covered Auto Designation Symbols
1	Any "Auto"
2	Owned "Autos" Only Only those "autos" you own (and for Covered Autos Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" you acquire ownership of after the policy begins.
3	Owned Private Passenger "Autos" Only Only the private passenger "autos" you own. This includes those private passenger "autos" you acquire ownership of after the policy begins.
4	Owned "Autos" Other Than Private Passenger "Autos" Only Only those "autos" you own that are not of the private passenger type (and for Covered Autos Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" not of the private passenger type you acquire ownership of after the policy begins.
5	Owned "Autos" Subject To No-fault Only those "autos" you own that are required to have no-fault benefits in the state where they are licensed or principally garaged. This includes those "autos" you acquire ownership of after the policy begins provided they are required to have no-fault benefits in the state where they are licensed or principally garaged.
6	Owned "Autos" Subject To A Compulsory Uninsured Motorists Law Only those "autos" you own that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those "autos" you acquire ownership of after the policy begins provided they are subject to the same state uninsured motorists requirement.
7	Specifically Described "Autos" Only those "autos" described in Item Three of the Declarations for which a premium charge is shown (and for Covered Autos Liability Coverage any "trailers" you don't own while attached to any power unit described in Item Three).
8	Hired "Autos" Only Only those "autos" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households.
9	Non-owned "Autos" Only Only those "autos" you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes "autos" owned by your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households but only while used in your business or your personal affairs.

19	Mobile Equipment Subject To Compulsory Or Financial Responsibility Or Other Motor Vehicle Insurance Law Only	Only those "autos" that are land vehicles and that would qualify under the definition of "mobile equipment" under this policy if they were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where they are licensed or principally garaged.
----	--	---

B. Owned Autos You Acquire After The Policy Begins

1. If Symbols 1, 2, 3, 4, 5, 6 or 19 are entered next to a coverage in Item Two of the Declarations, then you have coverage for "autos" that you acquire of the type described for the remainder of the policy period.
2. But, if Symbol 7 is entered next to a coverage in Item Two of the Declarations, an "auto" you acquire will be a covered "auto" for that coverage only if:
 - a. We already cover all "autos" that you own for that coverage or it replaces an "auto" you previously owned that had that coverage; and
 - b. You tell us within 30 days after you acquire it that you want us to cover it for that coverage.

C. Certain Trailers, Mobile Equipment And Temporary Substitute Autos

If Covered Autos Liability Coverage is provided by this Coverage Form, the following types of vehicles are also covered "autos" for Covered Autos Liability Coverage:

1. "Trailers" with a load capacity of 2,000 pounds or less designed primarily for travel on public roads.
2. "Mobile equipment" while being carried or towed by a covered "auto".
3. Any "auto" you do not own while used with the permission of its owner as a temporary substitute for a covered "auto" you own that is out of service because of its:
 - a. Breakdown;
 - b. Repair;
 - c. Servicing;
 - d. "Loss"; or
 - e. Destruction.

SECTION II – COVERED AUTOS LIABILITY COVERAGE

A. Coverage

We will pay all sums an "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of a covered "auto".

We will also pay all sums an "insured" legally must pay as a "covered pollution cost or expense" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of covered "autos". However, we will only pay for the "covered pollution cost or expense" if there is either "bodily injury" or "property damage" to which this insurance applies that is caused by the same "accident".

We have the right and duty to defend any "insured" against a "suit" asking for such damages or a "covered pollution cost or expense". However, we have no duty to defend any "insured" against a "suit" seeking damages for "bodily injury" or "property damage" or a "covered pollution cost or expense" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends when the Covered Autos Liability Coverage Limit of Insurance has been exhausted by payment of judgments or settlements.

1. Who Is An Insured

The following are "insureds":

- a. You for any covered "auto".
- b. Anyone else while using with your permission a covered "auto" you own, hire or borrow except:
 - (1) The owner or anyone else from whom you hire or borrow a covered "auto".
This exception does not apply if the covered "auto" is a "trailer" connected to a covered "auto" you own.

(2) Your "employee" if the covered "auto" is owned by that "employee" or a member of his or her household.

(3) Someone using a covered "auto" while he or she is working in a business of selling, servicing, repairing, parking or storing "autos" unless that business is yours.

(4) Anyone other than your "employees", partners (if you are a partnership), members (if you are a limited liability company) or a lessee or borrower or any of their "employees", while moving property to or from a covered "auto".

(5) A partner (if you are a partnership) or a member (if you are a limited liability company) for a covered "auto" owned by him or her or a member of his or her household.

c. Anyone liable for the conduct of an "insured" described above but only to the extent of that liability.

2. Coverage Extensions

a. Supplementary Payments

We will pay for the "insured":

(1) All expenses we incur.

(2) Up to \$2,000 for cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.

(3) The cost of bonds to release attachments in any "suit" against the "insured" we defend, but only for bond amounts within our Limit of Insurance.

(4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$250 a day because of time off from work.

(5) All court costs taxed against the "insured" in any "suit" against the "insured" we defend. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the "insured".

(6) All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" against the "insured" we defend, but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the Limit of Insurance.

b. Out-of-state Coverage Extensions

While a covered "auto" is away from the state where it is licensed, we will:

(1) Increase the Limit of Insurance for Covered Autos Liability Coverage to meet the limits specified by a compulsory or financial responsibility law of the jurisdiction where the covered "auto" is being used. This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.

(2) Provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the covered "auto" is being used.

We will not pay anyone more than once for the same elements of loss because of these extensions.

B. Exclusions

This insurance does not apply to any of the following:

1. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the "insured".

2. Contractual

Liability assumed under any contract or agreement.

But this exclusion does not apply to liability for damages:

a. Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement; or

b. That the "insured" would have in the absence of the contract or agreement.

3. Workers' Compensation

Any obligation for which the "insured" or the "insured's" insurer may be held liable under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

4. Employee Indemnification And Employer's Liability

"Bodily injury" to:

- a. An "employee" of the "insured" arising out of and in the course of:
 - (1) Employment by the "insured"; or
 - (2) Performing the duties related to the conduct of the "insured's" business; or
- b. The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph a. above.

This exclusion applies:

- (1) Whether the "insured" may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

But this exclusion does not apply to "bodily injury" to domestic "employees" not entitled to workers' compensation benefits or to liability assumed by the "insured" under an "insured contract". For the purposes of the Coverage Form, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.

5. Fellow Employee

"Bodily injury" to:

- a. Any fellow "employee" of the "insured" arising out of and in the course of the fellow "employee's" employment or while performing duties related to the conduct of your business; or
- b. The spouse, child, parent, brother or sister of that fellow "employee" as a consequence of Paragraph a. above.

6. Care, Custody Or Control

"Property damage" to or "covered pollution cost or expense" involving property owned or transported by the "insured" or in the "insured's" care, custody or control. But this exclusion does not apply to liability assumed under a sidetrack agreement.

7. Handling Of Property

"Bodily injury" or "property damage" resulting from the handling of property:

- a. Before it is moved from the place where it is accepted by the "insured" for movement into or onto the covered "auto"; or

- b. After it is moved from the covered "auto" to the place where it is finally delivered by the "insured".

8. Movement Of Property By Mechanical Device

"Bodily injury" or "property damage" resulting from the movement of property by a mechanical device (other than a hand truck) unless the device is attached to the covered "auto".

9. Operations

"Bodily injury" or "property damage" arising out of the operation of:

- a. Any equipment listed in Paragraphs 6.b. and 6.c. of the definition of "mobile equipment"; or
- b. Machinery or equipment that is on, attached to or part of a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

10. Completed Operations

"Bodily injury" or "property damage" arising out of your work after that work has been completed or abandoned.

In this exclusion, your work means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

Your work includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in Paragraph a. or b. above.

Your work will be deemed completed at the earliest of the following times:

- (1) When all of the work called for in your contract has been completed;
- (2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site; or
- (3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

11. Pollution

"Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants";

a. That are, or that are contained in any property that is:

- (1) Being transported or towed by, handled or handled for movement into, onto or from the covered "auto";
- (2) Otherwise in the course of transit by or on behalf of the "insured"; or
- (3) Being stored, disposed of, treated or processed in or upon the covered "auto";

b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or

c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts if:

- (1) The "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraphs 6.b. and 6.c. of the definition of "mobile equipment".

Paragraphs b. and c. above of this exclusion do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (a) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (b) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

12. War

"Bodily injury" or "property damage" arising directly or indirectly out of:

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

13. Racing

Covered "autos" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered "auto" is being prepared for such a contest or activity.

C. Limit Of Insurance

Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for the total of all damages and "covered pollution cost or expense" combined resulting from any one "accident" is the Limit Of Insurance for Covered Autos Liability Coverage shown in the Declarations.

All "bodily injury", "property damage" and "covered pollution cost or expense" resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one "accident".

No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Medical Payments Coverage endorsement, Uninsured Motorists Coverage endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

SECTION III - PHYSICAL DAMAGE COVERAGE

A. Coverage

1. We will pay for "loss" to a covered "auto" or its equipment under:

a. Comprehensive Coverage

From any cause except:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

b. Specified Causes Of Loss Coverage

Caused by:

- (1) Fire, lightning or explosion;
- (2) Theft;
- (3) Windstorm, hail or earthquake;
- (4) Flood;
- (5) Mischief or vandalism; or
- (6) The sinking, burning, collision or derailment of any conveyance transporting the covered "auto".

c. Collision Coverage

Caused by:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

2. Towing

We will pay up to the limit shown in the Declarations for towing and labor costs incurred each time a covered "auto" of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

3. Glass Breakage - Hitting A Bird Or Animal - Falling Objects Or Missiles

If you carry Comprehensive Coverage for the damaged covered "auto", we will pay for the following under Comprehensive Coverage:

- a. Glass breakage;
- b. "Loss" caused by hitting a bird or animal; and
- c. "Loss" caused by falling objects or missiles.

However, you have the option of having glass breakage caused by a covered "auto's" collision or overturn considered a "loss" under Collision Coverage.

4. Coverage Extensions

a. Transportation Expenses

We will pay up to \$20 per day, to a maximum of \$600, for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type. We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes Of Loss Coverage. We will pay for temporary transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the policy's expiration, when the covered "auto" is returned to use or we pay for its "loss".

b. Loss Of Use Expenses

For Hired Auto Physical Damage, we will pay expenses for which an "Insured" becomes legally responsible to pay for loss of use of a vehicle rented or hired without a driver under a written rental contract or agreement. We will pay for loss of use expenses if caused by:

- (1) Other than collision only if the Declarations indicates that Comprehensive Coverage is provided for any covered "auto";
- (2) Specified Causes Of Loss only if the Declarations indicates that Specified Causes Of Loss Coverage is provided for any covered "auto"; or

(3) Collision only if the Declarations indicate that Collision Coverage is provided for any covered "auto".

However, the most we will pay for any expenses for loss of use is \$20 per day, to a maximum of \$600.

B. Exclusions

1. We will not pay for "loss" caused by or resulting from any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss".

a. Nuclear Hazard

- (1) The explosion of any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination, however caused.

b. War Or Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

2. We will not pay for "loss" to any covered "auto" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. We will also not pay for "loss" to any covered "auto" while that covered "auto" is being prepared for such a contest or activity.

3. We will not pay for "loss" due and confined to:

- a. Wear and tear, freezing, mechanical or electrical breakdown.
- b. Blowouts, punctures or other road damage to tires.

This exclusion does not apply to such "loss" resulting from the total theft of a covered "auto".

4. We will not pay for "loss" to any of the following:

- a. Tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment.

b. Any device designed or used to detect speed-measuring equipment, such as radar or laser detectors, and any jamming apparatus intended to elude or disrupt speed-measuring equipment.

c. Any electronic equipment, without regard to whether this equipment is permanently installed, that reproduces, receives or transmits audio, visual or data signals.

d. Any accessories used with the electronic equipment described in Paragraph c. above.

5. Exclusions 4.c. and 4.d. do not apply to equipment designed to be operated solely by use of the power from the "auto's" electrical system that, at the time of "loss", is:

- a. Permanently installed in or upon the covered "auto";
- b. Removable from a housing unit which is permanently installed in or upon the covered "auto";
- c. An integral part of the same unit housing any electronic equipment described in Paragraphs a. and b. above; or
- d. Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system.

6. We will not pay for "loss" to a covered "auto" due to "diminution in value".

C. Limits Of Insurance

1. The most we will pay for:

a. "Loss" to any one covered "auto" is the lesser of:

- (1) The actual cash value of the damaged or stolen property as of the time of the "loss"; or
- (2) The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.

b. All electronic equipment that reproduces, receives or transmits audio, visual or data signals in any one "loss" is \$1,000, if, at the time of "loss", such electronic equipment is:

- (1) Permanently installed in or upon the covered "auto" in a housing, opening or other location that is not normally used by the "auto" manufacturer for the installation of such equipment;

- (2) Removable from a permanently installed housing unit as described in Paragraph b.(1) above; or
 - (3) An integral part of such equipment as described in Paragraphs b.(1) and b.(2) above.
2. An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total "loss".
 3. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the betterment.

D. Deductible

For each covered "auto", our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Declarations. Any Comprehensive Coverage deductible shown in the Declarations does not apply to "loss" caused by fire or lightning.

SECTION IV – BUSINESS AUTO CONDITIONS

The following conditions apply in addition to the Common Policy Conditions:

A. Loss Conditions

1. Appraisal For Physical Damage Loss

If you and we disagree on the amount of "loss", either may demand an appraisal of the "loss". In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the actual cash value and amount of "loss". If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If we submit to an appraisal, we will still retain our right to deny the claim.

2. Duties In The Event Of Accident, Claim, Suit Or Loss

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

- a. In the event of "accident", claim, "suit" or "loss", you must give us or our authorized representative prompt notice of the "accident" or "loss". Include:
 - (1) How, when and where the "accident" or "loss" occurred;

- (2) The "insured's" name and address; and
- (3) To the extent possible, the names and addresses of any injured persons and witnesses.

b. Additionally, you and any other involved "insured" must:

- (1) Assume no obligation, make no payment or incur no expense without our consent, except at the "insured's" own cost.
- (2) Immediately send us copies of any request, demand, order, notice, summons or legal paper received concerning the claim or "suit".
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit".
- (4) Authorize us to obtain medical records or other pertinent information.
- (5) Submit to examination, at our expense, by physicians of our choice, as often as we reasonably require.

c. If there is "loss" to a covered "auto" or its equipment, you must also do the following:

- (1) Promptly notify the police if the covered "auto" or any of its equipment is stolen.
- (2) Take all reasonable steps to protect the covered "auto" from further damage. Also keep a record of your expenses for consideration in the settlement of the claim.
- (3) Permit us to inspect the covered "auto" and records proving the "loss" before its repair or disposition.
- (4) Agree to examinations under oath at our request and give us a signed statement of your answers.

3. Legal Action Against Us

No one may bring a legal action against us under this Coverage Form until:

- a. There has been full compliance with all the terms of this Coverage Form; and
- b. Under Covered Autos Liability Coverage, we agree in writing that the "insured" has an obligation to pay or until the amount of that obligation has finally been determined by judgment after trial. No one has the right under this policy to bring us into an action to determine the "insured's" liability.

4. Loss Payment – Physical Damage Coverages

At our option, we may:

- a. Pay for, repair or replace damaged or stolen property;
- b. Return the stolen property, at our expense. We will pay for any damage that results to the "auto" from the theft; or
- c. Take all or any part of the damaged or stolen property at an agreed or appraised value.

If we pay for the "loss", our payment will include the applicable sales tax for the damaged or stolen property.

5. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after "accident" or "loss" to impair them.

B. General Conditions

1. Bankruptcy

Bankruptcy or insolvency of the "insured" or the "insured's" estate will not relieve us of any obligations under this Coverage Form.

2. Concealment, Misrepresentation Or Fraud

This Coverage Form is void in any case of fraud by you at any time as it relates to this Coverage Form. It is also void if you or any other "insured", at any time, intentionally conceals or misrepresents a material fact concerning:

- a. This Coverage Form;
- b. The covered "auto";
- c. Your interest in the covered "auto"; or
- d. A claim under this Coverage Form.

3. Liberalization

If we revise this Coverage Form to provide more coverage without additional premium charge, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

4. No Benefit To Bailee – Physical Damage Coverages

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this Coverage Form.

5. Other Insurance

- a. For any covered "auto" you own, this Coverage Form provides primary insurance. For any covered "auto" you don't own, the insurance provided by this Coverage Form is excess over any other collectible insurance. However, while a covered "auto" which is a "trailer" is connected to another vehicle, the Covered Autos Liability Coverage this Coverage Form provides for the "trailer" is:

- (1) Excess while it is connected to a motor vehicle you do not own; or
- (2) Primary while it is connected to a covered "auto" you own.

- b. For Hired Auto Physical Damage Coverage, any covered "auto" you lease, hire, rent or borrow is deemed to be a covered "auto" you own. However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

- c. Regardless of the provisions of Paragraph a. above, this Coverage Form's Covered Autos Liability Coverage is primary for any liability assumed under an "insured contract".

- d. When this Coverage Form and any other Coverage Form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our Coverage Form bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.

6. Premium Audit

- a. The estimated premium for this Coverage Form is based on the exposures you told us you would have when this policy began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the first Named Insured will be billed for the balance, if any. The due date for the final premium or retrospective premium is the date shown as the due date on the bill. If the estimated total premium exceeds the final premium due, the first Named Insured will get a refund.
- b. If this policy is issued for more than one year, the premium for this Coverage Form will be computed annually based on our rates or premiums in effect at the beginning of each year of the policy.

7. Policy Period, Coverage Territory

Under this Coverage Form, we cover "accidents" and "losses" occurring:

a. During the policy period shown in the Declarations; and

b. Within the coverage territory.

The coverage territory is:

- (1) The United States of America;
- (2) The territories and possessions of the United States of America;
- (3) Puerto Rico;
- (4) Canada; and
- (5) Anywhere in the world if a covered "auto" of the private passenger type is leased, hired, rented or borrowed without a driver for a period of 30 days or less,

provided that the "insured's" responsibility to pay damages is determined in a "suit" on the merits, in the United States of America, the territories and possessions of the United States of America, Puerto Rico or Canada, or in a settlement we agree to.

We also cover "loss" to, or "accidents" involving, a covered "auto" while being transported between any of these places.

8. Two Or More Coverage Forms Or Policies Issued By Us

If this Coverage Form and any other Coverage Form or policy issued to you by us or any company affiliated with us applies to the same "accident", the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Form.

SECTION V – DEFINITIONS

A. "Accident" Includes continuous or repeated exposure to the same conditions resulting in "bodily injury" or "property damage".

B. "Auto" means:

1. A land motor vehicle, "trailer" or semitrailer designed for travel on public roads; or

2. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

C. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these.

D. "Covered pollution cost or expense" means any cost or expense arising out of:

1. Any request, demand, order or statutory or regulatory requirement that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

2. Any claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

"Covered pollution cost or expense" does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

a. That are, or that are contained in any property that is:

- (1) Being transported or towed by, handled or handled for movement into, onto or from the covered "auto";
- (2) Otherwise in the course of transit by or on behalf of the "insured"; or
- (3) Being stored, disposed of, treated or processed in or upon the covered "auto";

b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or

c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

- (1) The "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraph 6.b. or 6.c. of the definition of "mobile equipment".

Paragraphs b. and c. above do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (a) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
 - (b) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.
- E. "Diminution in value" means the actual or perceived loss in market value or resale value which results from a direct and accidental "loss".
- F. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
- G. "Insured" means any person or organization qualifying as an insured in the Who Is An Insured provision of the applicable coverage. Except with respect to the Limit of Insurance, the coverage afforded applies separately to each insured who is seeking coverage or against whom a claim or "suit" is brought.
- H. "Insured contract" means:
1. A lease of premises;
 2. A sidetrack agreement;
 3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

5. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another to pay for "bodily injury" or "property damage" to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement; or
6. That part of any contract or agreement entered into, as part of your business, pertaining to the rental or lease, by you or any of your "employees", of any "auto". However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your "employees" to pay for "property damage" to any "auto" rented or leased by you or any of your "employees".

An "insured contract" does not include that part of any contract or agreement:

- a. That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
 - b. That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or
 - c. That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.
- I. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
- J. "Loss" means direct and accidental loss or damage.
- K. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 2. Vehicles maintained for use solely on or next to premises you own or rent;
 3. Vehicles that travel on crawler treads;

4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - a. Power cranes, shovels, loaders, diggers or drills; or
 - b. Road construction or resurfacing equipment such as graders, scrapers or rollers;
5. Vehicles not described in Paragraph 1., 2., 3. or 4. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well-servicing equipment; or
 - b. Cherry pickers and similar devices used to raise or lower workers; or
6. Vehicles not described in Paragraph 1., 2., 3. or 4. above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
 - a. Equipment designed primarily for:
 - (1) Snow removal;
 - (2) Road maintenance, but not construction or resurfacing; or
 - (3) Street cleaning;
 - b. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well-servicing equipment.

However, "mobile equipment" does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

- L. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- M. "Property damage" means damage to or loss of use of tangible property.
- N. "Suit" means a civil proceeding in which:
 1. Damages because of "bodily injury" or "property damage"; or
 2. A "covered pollution cost or expense";
 to which this insurance applies, are alleged.
 "Suit" includes:
 - a. An arbitration proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the "insured" must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the insured submits with our consent.
- O. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- P. "Trailer" includes semitrailer.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ALASKA CHANGES

This endorsement modifies coverage provided under the following:

BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. Changes In Covered Autos Liability Coverage

Exclusion B.12. War is replaced by the following:

12. War

"Bodily injury" or "property damage" arising out of:

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

B. Changes In Physical Damage Coverage

1. If the Declarations Indicates that Physical Damage Coverage is provided for covered "autos" and that Covered Autos Liability Coverage is not provided for covered "autos", the following statement applies:

THIS COVERAGE FORM PROVIDES INSURANCE ONLY AGAINST DAMAGE TO THE "AUTO". THIS COVERAGE FORM DOES NOT INSURE AGAINST "BODILY INJURY" OR "PROPERTY DAMAGE" LIABILITY AND DOES NOT SATISFY THE MANDATORY INSURANCE REQUIREMENTS OF AS 28.22.011.

2. The lead-in to Paragraph B.1. Exclusions in the Physical Damage Coverage Section is replaced by the following:

We will not pay for "loss" caused by or resulting from any of the following:

C. Changes In Conditions

1. The lead-in to the Duties In The Event Of Accident, Claim, Suit Or Loss Condition is replaced by the following:

We have no duty to provide coverage under this policy if the failure to comply with the following duties is prejudicial to us:

2. Paragraph c.(4) of the Duties In The Event Of Accident, Claim, Suit Or Loss Condition is replaced by the following:

- (4) Agree to examinations under oath at our request and give us a signed statement of your answers. You are entitled to have counsel present during any examination taken under oath.

3. The Concealment, Misrepresentation Or Fraud Condition is replaced by the following:

Concealment, Misrepresentation Or Fraud

We will not pay for any loss or damage in any case involving misrepresentations, omissions, concealment of facts, or incorrect statements:

- a. That are fraudulent;
- b. That are material either to the acceptance of the risk, or to the hazard assumed by us; or

c. If we, in good faith, would not have:

- (1) Issued the policy or contract;
- (2) Issued a policy or contract in as large an amount, or at the same premium or rate; or
- (3) Provided coverage with respect to the hazard resulting in the loss;

if the true facts had been made known to us as required either by the application for the policy or contract or otherwise.

However, this provision does not apply, but only up to the compulsory or financial responsibility limits required by Alaska law, if an "accident" results in a third-party liability claim against the "insured" under this Coverage Form.

4. With respect to vehicles rented in the United States or Canada, the **Other Insurance** Condition in the Business Auto Coverage Form and the **Other Insurance – Primary And Excess Insurance Provisions** Condition in the Motor Carrier Coverage Form are replaced by the following:

a. Payments from applicable coverage provided under liability coverage and/or physical damage coverage for vehicles rented in the United States or Canada will be made in the following order of priority:

- (1) From a policy or coverage purchased by the operator from the owner of the rental vehicle;
- (2) From a personal policy of liability and/or physical damage coverage insuring the operator of a rented vehicle; and
- (3) From the policy or coverage insuring the owner of the rental vehicle as the named insured.

b. When this Coverage Form and any other Coverage Form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our Coverage Form bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.

5. Paragraph 5.a. of the **Other Insurance** Condition in the Business Auto Coverage Form is replaced by the following:

a. For any covered "auto" you own, this Coverage Form provides primary insurance. For any covered "auto" you do not own, the insurance provided by this Coverage Form is excess. However, while a covered "auto" which is a "trailer" is connected to another vehicle, the Covered Autos Liability Coverage this Coverage Form provides for the "trailer" is:

- (1) Excess while it is connected to a motor vehicle you do not own; or
- (2) Primary while it is connected to a covered "auto" you own.

6. The **Other Insurance – Primary And Excess Insurance Provisions** Condition in the Motor Carrier Coverage Form is amended as follows:

a. Paragraph 5.a.(2) is replaced by the following:

- (2) Excess if a written agreement between you as the lessor and the other "motor carrier" as the lessee does not require you to hold the lessee harmless.

b. Paragraph 5.b.(2) is replaced by the following:

- (2) Excess if a written agreement between the other "motor carrier" as the lessor and you as the lessee requires the lessor to hold you harmless.

7. The **Two Or More Coverage Forms Or Policies Issued By Us** Condition does not apply.

D. Changes In Garagekeepers Coverage

If the Garagekeepers Coverage endorsement or the Garagekeepers Coverage – Customers' Sound-receiving Equipment endorsement is attached, then Exclusion 3. is replaced by the following:

3. We will not pay for "loss" caused by or resulting from the following:

- a. War, including undeclared or civil war;

b. Wartlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

E. Changes In Auto Medical Payments Coverage

If the Auto Medical Payments Coverage endorsement is attached, then the endorsement is amended as follows:

1. Exclusion C.6. is replaced by the following:

This Insurance does not apply to:

6. "Bodily Injury" arising out of:

a. War, including undeclared or civil war;

b. Wartlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

2. Paragraph E.2. of the **Changes In Conditions** provision is replaced by the following:

2. With respect to the coverage provided under this endorsement, for any covered "auto" you do not own, the **Other Insurance Condition** in the Auto Dealers and Business Auto Coverage Forms and **Other Insurance - Primary And Excess Insurance Provisions** in the Motor Carrier Coverage Form are excess to other auto medical payments insurance.

F. Changes In Trailer Interchange Coverage

If the Motor Carrier Coverage Form or the Trailer Interchange Coverage endorsement is attached, then Exclusion B.1. is replaced by the following:

1. We will not pay for "loss" caused by or resulting from any of the following.

G. Changes In Silica Or Silica-related Dust

Exclusion - Covered Autos Exposure

If the Silica Or Silica-related Dust Exclusion For Covered Autos Exposure endorsement is attached, then Paragraph A. is replaced by the following:

Silica Or Silica-related Dust Exclusion For Covered Autos Exposure

This insurance does not apply to:

1. "Bodily injury" arising out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".

2. "Property damage" arising out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".

3. Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any "insured" or by any other person or entity.

H. Changes in Motor Carriers - Excess Coverage For The Named Insured And Named Lessors For Leased Autos

If the Motor Carriers - Excess Coverage For The Named Insured And Named Lessors For Leased Autos endorsement is attached, then the lead-in to Paragraph A. is replaced by the following:

A. For a covered "auto" leased to you by the lessor named in the Schedule, Covered Autos Liability Coverage is excess while:

I. Changes in Leasing Or Rental Concerns - Contingent Coverage

If the Leasing Or Rental Concerns - Contingent Coverage endorsement is attached, then Paragraph A.5. is replaced by the following:

5. The insurance provided by this endorsement is excess.

POLICY NUMBER: PRA 9551494-00

COMMERCIAL AUTO
CA 21 60 01 19

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ALASKA UNINSURED AND UNDERINSURED MOTORISTS COVERAGE

For a covered "auto" licensed or principally garaged in, or "auto dealer operations" conducted in, Alaska, this endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the Policy effective on the inception date of the Policy unless another date is indicated below:

Named Insured: BAXTER SENIOR LIVING, LLC

Endorsement Effective Date: 09/01/2019

WARNING

WITH RESPECT TO THE COVERAGE PROVIDED BY THIS ENDORSEMENT:

IF THE SCHEDULE INDICATES THAT ITEM 2. "BODILY INJURY" UNINSURED AND UNDERINSURED MOTORISTS (UM/UIM) COVERAGE ONLY APPLIES, THE NAMED INSURED DOES NOT HAVE "PROPERTY DAMAGE" UM/UIM COVERAGE. DISREGARD ALL REFERENCES TO "PROPERTY DAMAGE" COVERAGE IN THIS ENDORSEMENT.

IF THE SCHEDULE INDICATES THAT ITEM 3. "PROPERTY DAMAGE" UNINSURED AND UNDERINSURED MOTORISTS (UM/UIM) COVERAGE ONLY APPLIES, THE NAMED INSURED DOES NOT HAVE "BODILY INJURY" UM/UIM COVERAGE. DISREGARD ALL REFERENCES TO "BODILY INJURY" COVERAGE IN THIS ENDORSEMENT.

SCHEDULE

1. "Bodily Injury" And "Property Damage":	\$1,000,000	Each "Accident"
Or		
2. "Bodily Injury" Only:		Each "Accident"
Or		
3. "Property Damage" Only:		Each "Accident"
The endorsement provides "bodily injury" and "property damage" Uninsured And Underinsured Motorists Coverage unless an "X" is entered below.		
<input type="checkbox"/> If an "X" is entered in this box, this endorsement provides "bodily injury" Uninsured And Underinsured Motorists Coverage only. The Named Insured does not have "property damage" UM/UIM Coverage. Disregard all references to "property damage" coverage in this endorsement.		
<input type="checkbox"/> If an "X" is entered in this box, this endorsement provides "property damage" Uninsured And Underinsured Motorists Coverage only. The Named Insured does not have "bodily injury" UM/UIM Coverage. Disregard all references to "bodily injury" coverage in this endorsement.		
Attorney's Fees For A Judgment Of		Additional Premium
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

A. Coverage

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or driver of an "uninsured motor vehicle" or "underinsured motor vehicle" because of:
 - a. "Bodily injury" sustained by an "insured" and caused by an "accident" if the Schedule or Declarations Indicates that:
 - (1) Uninsured/Underinsured Motorists Coverage applies to both "bodily injury" and "property damage"; or
 - (2) Uninsured/Underinsured Motorists Coverage applies to "bodily injury" only.
 - b. "Property damage" caused by an "accident", if the Schedule or Declarations Indicates that:
 - (1) Uninsured/Underinsured Motorists Coverage applies to both "bodily injury" and "property damage"; or
 - (2) Uninsured/Underinsured Motorists Coverage applies to "property damage" only.

The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle" or "underinsured motor vehicle".

2. With respect to damages resulting from an "accident" with an "underinsured motor vehicle", we will pay under the coverage selected under this endorsement only if a. or b. below applies:
 - a. The limit of any applicable liability bonds or policies has been exhausted by payment of judgments or settlements; or
 - b. A tentative settlement has been made between an "insured" and the Insurer of the "underinsured motor vehicle" and we:
 - (1) Have been given prompt written notice of such tentative settlement; and
 - (2) Advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification.
3. No judgment for damages arising out of a "suit" brought against the owner or operator of an "uninsured motor vehicle" or "underinsured motor vehicle" is binding on us unless we have:
 - a. Received reasonable notice of the pendency of the "suit" resulting in the judgment; and

- b. Had a reasonable opportunity to protect our interests in the "suit".

4. In any "suit" we defend in Alaska, we will pay that portion of the attorney's fees that would have been taxed against the owner or operator of an "uninsured motor vehicle" or "underinsured motor vehicle" as costs which do not exceed the amount allowed for a contested case in the schedule of attorney's fees contained in Alaska Rule of Civil Procedure 82 for a judgment equal to the applicable Limit of Liability.

However, if a premium and a judgment amount are shown in the Schedule or Declarations, we will pay, instead of the attorney's fees provided in the above paragraph, that portion of the attorney's fees that would have been taxed against the owner or operator of an "uninsured motor vehicle" or "underinsured motor vehicle" as costs which do not exceed the amount allowed for a contested case in Alaska Rule of Civil Procedure 82 for the judgment amount shown in the Schedule or Declarations.

B. Who Is An Insured

If the Named Insured is designated in the Declarations as:

1. An individual, then the following are "insureds":
 - a. The Named Insured and any "family members", including, but not limited to, while a pedestrian or bicyclist, when struck by an "uninsured motor vehicle" or "underinsured motor vehicle".
 - b. Anyone else "occupying" a covered "auto" or a temporary substitute for a covered "auto". The covered "auto" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.
 - c. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured". This provision only applies if "bodily injury" coverage is selected in the Schedule or Declarations.
2. A partnership, limited liability company, corporation or any other form of organization, then the following are "insureds":
 - a. Anyone "occupying" a covered "auto" or a temporary substitute for a covered "auto". The covered "auto" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.

- b. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured". This provision only applies if "bodily injury" coverage is selected in the Schedule or Declarations.
- c. The Named Insured for "property damage" only. This provision only applies if "property damage" coverage is selected in the Schedule or Declarations.

C. Exclusions

This Insurance does not apply to any of the following:

1. Any claim settled without our consent, if the settlement prejudices our right to recover payments. However, this exclusion does not apply to a settlement made with the insurer of an "underinsured motor vehicle" in accordance with the procedure described in Paragraph A.2.b.
2. The direct or indirect benefit of any insurer or self-insurer under any workers' compensation or similar occupational disability benefits law.
3. The direct or indirect benefit of any insurer of property.
4. Property contained in the covered "auto".
5. The first \$250 of the amount of "property damage" to a covered "auto" as the result of any one "accident".
6. "Bodily injury" sustained by any "insured" while "occupying" or struck by any vehicle owned by an individual Named Insured, or any "family member", that is not a covered "auto".
7. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.
8. "Property damage" for which the "insured" has been compensated by other property or physical damage insurance.
9. "Property damage" to an "auto" owned by the Named Insured, or any "family member", that is not a covered "auto".
10. Punitive or exemplary damages.
11. "Bodily injury" or "property damage" arising out of:
 - a. War, including undeclared or civil war;
 - b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
 - c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

D. Limit Of Insurance

1. Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for all damages resulting from any one "accident" will be as follows:
 - a. If the Schedule or Declarations indicates that Uninsured/Underinsured Motorists Coverage applies to both "bodily injury" and "property damage", the Limit of Insurance will be the lesser of:
 - (1) The difference between the amount of an "insured's" damages for "bodily injury" and "property damage" and the amount paid to that "insured" for such damages, by or for a person who is or may be held legally liable; and
 - (2) The Limit Of Insurance for Uninsured And Underinsured Motorists Coverage shown in the Schedule.
 - b. If the Schedule or Declarations indicates that Uninsured/Underinsured Motorists Coverage applies to "bodily injury" only, the Limit of Insurance will be the lesser of:
 - (1) The difference between the amount of an "insured's" damages for "bodily injury" and the amount paid to that "insured" for such damages, by or for a person who is or may be held legally liable for "bodily injury"; and
 - (2) The Limit Of Insurance for Uninsured And Underinsured Motorists Coverage shown in the Schedule.
 - c. If the Schedule or Declarations indicates that Uninsured/Underinsured Motorists Coverage applies to "property damage" only, the Limit of Insurance will be the lesser of:
 - (1) The difference between the amount of an "insured's" damages for "property damage" and the amount paid to that "insured" for such damages, by or for a person who is or may be held legally liable for "property damage"; and
 - (2) The Limit Of Insurance for Uninsured And Underinsured Motorists Coverage shown in the Schedule.

2. If the Schedule or Declarations Indicates that Uninsured/Underinsured Motorists Coverage applies to "bodily injury", any amount payable for damages shall apply over and above any amounts paid to the "insured":

- a. By or for a person who is or may be held legally liable, including all sums paid under this Coverage Form's Covered Autos Liability Coverage; or
 - b. Under any valid and collectible "bodily injury" or death liability insurance.
3. If the Schedule or Declarations indicates that Uninsured/Underinsured Motorists Coverage applies to "bodily injury", any amount payable for damages shall apply over and above any amounts paid or payable to the "insured" under any valid and collectible automobile medical payments insurance, workers' compensation or similar occupational disability benefits law.
4. Any amount paid under this insurance will reduce any amount an "insured" may be paid for the same damages under this Coverage Form's Covered Autos Liability Coverage.
5. We will not pay for a "loss" which is paid under Physical Damage Coverage.
6. In no event will an "insured" be entitled to receive duplicate payments for the same elements of "loss".

E. Changes in Conditions

The **Conditions** are changed for Uninsured And Underinsured Motorists Coverage as follows:

1. **Other Insurance** in the Auto Dealers and Business Auto Coverage Forms and **Other Insurance - Primary And Excess Insurance Provisions** in the Motor Carrier Coverage Form are replaced by the following:
 - a. If there is other applicable uninsured and/or underinsured motorists coverage available under more than one provision of coverage when two or more vehicles are insured under this Coverage Form or Policy, the maximum recovery for damages may equal but not exceed the highest applicable limit for any one vehicle under the coverage provided by this Coverage Form or Policy. If there is other applicable uninsured and/or underinsured motorists coverage available to an "insured" under any other Coverage Form or policy issued to that "insured" or an individual Named Insured who is a resident of that "insured's" household by us, the maximum recovery for damages may equal but not exceed the highest applicable Limit of Insurance under any one Coverage Form or policy.

b. If there is other applicable uninsured motorists coverage and underinsured motorists coverage available under more than one Coverage Form or policy, then the following priorities of coverage apply:

First	A policy or coverage covering a motor vehicle "occupied" by the injured person or a policy or coverage covering a pedestrian as a Named Insured;
Second	A policy or coverage covering a motor vehicle "occupied" by the injured person as an "insured" other than as a Named Insured;
Third	A policy or coverage not covering a motor vehicle "occupied" by the injured person but covering the injured person as a Named Insured;
Fourth	A policy or coverage not covering a motor vehicle "occupied" by the injured person but covering the injured person as an "insured" other than as a Named Insured.

c. We will pay only our share of the "loss". Our share is the proportion that the Limit of Insurance of our Coverage Form bears to the total of the limits of all the Coverage Forms and policies applicable on the same level of priority.

2. **Duties In The Event Of Accident, Claim, Suit Or Loss** in the Business Auto and Motor Carrier Coverage Forms and **Duties In The Event Of Accident, Claim, Offense, Suit, Loss Or Acts, Errors Or Omissions** in the Auto Dealers Coverage Form are changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved; and
 - b. Promptly send us copies of the legal papers if a "suit" is brought.
 - c. A person seeking coverage from an "underinsured motor vehicle" must also promptly notify us in writing of a tentative settlement between the "insured" and the insurer of the "underinsured motor vehicle" and allow advance payment to that "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification to preserve our rights against the insurer, owner or operator of the "underinsured motor vehicle".

3. Transfer Of Rights Of Recovery Against Others To Us is changed by adding the following:

If we make any payment and the "insured" recovers from another party, the "insured" shall hold the proceeds in trust for us and pay us back the amount we have paid.

We will be entitled to recovery only after the "insured" has been fully compensated for damages.

Our rights do not apply under this provision with respect to damages caused by an "accident" with an "underinsured motor vehicle" if we:

- a. Have been given prompt written notice of a tentative settlement between an "insured" and the insurer of an "underinsured motor vehicle"; and
- b. Fail to advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification.

If we advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification:

- a. That payment will be separate from any amount the "insured" is entitled to recover under the provisions of the coverage provided by this endorsement; and
- b. We also have a right to recover the advance payment.

4. The following condition is added:

Arbitration

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or driver of an "underinsured motor vehicle" or "underinsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured", then the matter may be arbitrated. However, disputes concerning coverage under this endorsement may not be arbitrated. Both parties must agree to arbitration. If so agreed, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. All arbitration expenses and fees, not including counsel or adjuster fees, will be paid as determined by the arbitrators. Each party will pay the counsel fees and adjuster fees it incurs.

- b. Unless both parties agree otherwise, arbitration will take place in the jurisdiction in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding.

F. Additional Definitions

As used in this endorsement:

1. "Family member" means a person related to an individual Named Insured by blood, marriage or adoption, who is a resident of such Named Insured's household, including a ward or foster child.
2. "Occupying" means in, upon, getting in, on, out or off.
3. "Property damage" means injury to or destruction of a covered "auto". However, "property damage" does not include loss of use.
4. "Uninsured motor vehicle" means a land motor vehicle or "trailer":
 - a. For which no liability bond or policy applies at the time of an "accident"; or
 - b. For which an insuring or bonding company denies coverage or is or becomes insolvent; or
 - c. That is a hit-and-run vehicle and neither the driver nor owner can be identified. The vehicle must hit an "insured", a covered auto or a vehicle an "insured" is "occupying".

However, an "uninsured motor vehicle" does not include any vehicle:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- b. Owned by a governmental unit or agency, except a governmental unit or agency that is or becomes insolvent; or
- c. Designed for use mainly off public roads while not on public roads.

5. "Underinsured motor vehicle" means a land motor vehicle or "trailer" licensed for highway use for which the sum of all liability bonds or policies that apply at the time of an "accident" is less than the amount the covered person is legally entitled to recover for "bodily injury" or "property damage" from the owner or operator of the underinsured motor vehicle.

However, an "underinsured motor vehicle" does not include any vehicle for which an insuring or bonding company denies coverage or is or becomes insolvent.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ALASKA PUBLIC OR LIVERY PASSENGER
CONVEYANCE, TRANSPORTATION NETWORK AND
ON-DEMAND DELIVERY SERVICES EXCLUSION**

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. Changes In Covered Autos Liability Coverage

The following exclusion is added:

**Public Or Livery Passenger Conveyance And
On-demand Delivery Services**

This insurance does not apply to any covered "auto" while being used:

1. As a public or livery conveyance for passengers. This includes, but is not limited to, any period of time a covered "auto" is being used by an "insured" who is logged into a "transportation network platform" as a driver, whether or not a passenger is "occupying" the covered "auto"; or
2. By an "insured" who is logged into a "transportation network platform" or "delivery network platform" as a driver to provide "delivery services", whether or not the goods, items or products to be delivered are in the covered "auto".

B. Changes In Physical Damage Coverage

The following exclusion is added:

We will not pay for "loss" to any covered "autos" while being used:

1. As a public or livery conveyance for passengers. This includes, but is not limited to, any period of time a covered "auto" is being used by an "insured" who is logged into a "transportation network platform" as a driver, whether or not a passenger is "occupying" the covered "auto"; or

2. By an "insured" who is logged into a "transportation network platform" or "delivery network platform" as a driver to provide "delivery services", whether or not the goods, items or products to be delivered are in the covered "auto".

C. Changes In Auto Medical Payments

If Auto Medical Payments Coverage is attached, then the following exclusion is added:

**Public Or Livery Passenger Conveyance And
On-demand Delivery Services**

This insurance does not apply to:

"Bodily injury" sustained by an "insured" "occupying" a covered "auto" while it is being used:

1. As a public or livery conveyance for passengers. This includes, but is not limited to, any period of time a covered "auto" is being used by an "insured" who is logged into a "transportation network platform" as a driver, whether or not a passenger is "occupying" the covered "auto"; or
2. By an "insured" who is logged into a "transportation network platform" or "delivery network platform" as a driver to provide "delivery services", whether or not the goods, items or products to be delivered are in the covered "auto".

D. Changes in Uninsured And Underinsured Motorists Coverage

If Uninsured And Underinsured Motorists Coverage is attached, then the following exclusion is added:

Transportation Network And On-demand Delivery Services

This insurance does not apply to any covered "auto" while being used:

1. During any period of time, by an "insured" who is logged into a "transportation network platform" as a driver, whether or not a passenger is "occupying" the covered "auto"; or
2. By an "insured" who is logged into a "transportation network platform" or "delivery network platform" as a driver to provide "delivery services", whether or not the goods, items or products to be delivered are in the covered "auto".

E. Additional Definitions

As used in this endorsement:

1. "Delivery network platform" means an online-enabled application or digital network, used to connect customers:
 - a. With drivers; or

b. With local vendors using drivers;

for the purpose of providing prearranged "delivery services" for compensation. A "delivery network platform" does not include a "transportation network platform".

2. "Delivery services" includes courier services.
3. "Occupying" means in, upon, getting in, on, out or off.
4. "Transportation network platform" means an online-enabled application or digital network used to connect passengers with drivers using vehicles for the purpose of providing prearranged transportation services for compensation.

2016 COMMERCIAL AUTO MISCELLANEOUS FORM REVISIONS ADVISORY NOTICE TO POLICYHOLDERS

This Notice does not form part of your policy. No coverage is provided by this Notice nor can it be construed to replace any provision of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided. If there is any conflict between the Policy and this Notice, **THE PROVISIONS OF THE POLICY SHALL PREVAIL.**

Carefully read your policy, including the endorsements attached to your policy.

This Notice provides information concerning the following forms and endorsements which apply to your renewal policy being issued by us. The forms and endorsements may reduce or broaden coverage.

Broadening Of Coverage

CA 04 49 – Primary And Noncontributory – Other Insurance Condition

This endorsement is being introduced as an additional coverage option. When this endorsement is attached to your policy, the Other Insurance Condition in the Business Auto and Auto Dealers Coverage Forms and the Other Insurance – Primary And Excess Insurance Provisions in the Motor Carrier Coverage Form are revised to provide coverage to an "Insured" on a primary and noncontributory basis, provided that certain conditions are met.

Reductions Of Coverage

CA 23 44 – Public Or Livery Passenger Conveyance Exclusion

When this endorsement is attached to your policy, insurance provided under any applicable Covered Auto Liability, Physical Damage, Auto Medical Payments, Uninsured and/or Underinsured Motorists and Personal Injury Protection (or similar no-fault) Coverage is excluded while any covered auto is being used as a public or livery conveyance for passengers. This includes, but is not limited to, any period of time a covered auto is being used by an insured who is logged into a "transportation network platform" as a driver, whether or not a passenger is occupying the covered auto.

CA 23 45 – Public Or Livery Passenger Conveyance And On-demand Delivery Services Exclusion

When this endorsement is attached to your policy, insurance provided under any applicable Covered Auto Liability, Physical Damage, Auto Medical Payments, Uninsured and/or Underinsured Motorists and Personal Injury Protection (or similar no-fault) Coverage is excluded while any covered auto is being used:

- As a public or livery conveyance for passengers. This includes, but is not limited to, any period of time a covered auto is being used by an insured who is logged into a "transportation network platform" as a driver, whether or not a passenger is occupying the covered auto; or
- By an insured who is logged into a "transportation network platform" or "delivery network platform" as a driver to provide delivery services, which includes courier services, whether or not the goods, items or products to be delivered are in the covered auto.

CA 26 01 – Single Interest Automobile Physical Damage Insurance Policy (Individual Policy Form)

This form is revised to reinforce the current public or livery conveyance exclusion to provide that the exclusion also applies during any period of time that an automobile is being used by a retail purchaser who is logged into a "transportation network platform" as a driver, whether or not a passenger is occupying the automobile.

CA 26 02 – Single Interest Automobile Physical Damage Insurance Policy (Finance Master Policy Form)

This form is revised to reinforce the current public or livery conveyance exclusion to provide that the exclusion also applies during any period of time that an automobile is being used by a retail purchaser who is logged into a "transportation network platform" as a driver, whether or not a passenger is occupying the automobile.

CA 26 04 – Amendment Of Single Interest Policy Provisions – Public Or Livery Passenger Conveyance And On-demand Delivery Services Exclusion

This endorsement is introduced to replace the public or livery conveyance exclusion contained in newly revised forms CA 26 01 and CA 26 02 to provide that the exclusion also applies during any period of time that an automobile is being used by a retail purchaser who is logged into a "transportation network platform" or "delivery network platform" as a driver to provide delivery services, which includes courier services, whether or not the goods, items or products to be delivered are in the automobile.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AUTO MEDICAL PAYMENTS COVERAGE

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. Coverage

We will pay reasonable expenses incurred for necessary medical and funeral services to or for an "insured" who sustains "bodily injury" caused by "accident". We will pay only those expenses incurred, for services rendered within three years from the date of the "accident".

B. Who Is An Insured

1. You while "occupying" or, while a pedestrian, when struck by any "auto".
2. If you are an individual, any "family member" while "occupying" or, while a pedestrian, when struck by any "auto".
3. Anyone else "occupying" a covered "auto" or a temporary substitute for a covered "auto". The covered "auto" must be out of service because of its breakdown, repair, servicing, loss or destruction.

C. Exclusions

This insurance does not apply to any of the following:

1. "Bodily injury" sustained by an "insured" while "occupying" a vehicle located for use as a premises.
2. "Bodily injury" sustained by you or any "family member" while "occupying" or struck by any vehicle (other than a covered "auto") owned by you or furnished or available for your regular use.
3. "Bodily injury" sustained by any "family member" while "occupying" or struck by any vehicle (other than a covered "auto") owned by or furnished or available for the regular use of any "family member".
4. "Bodily injury" to your "employee" arising out of and in the course of employment by you. However, we will cover "bodily injury" to your domestic "employees" if not entitled to workers' compensation benefits. For the purposes of this endorsement, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.
5. "Bodily injury" to an "insured" while working in a business of selling, servicing, repairing or parking "autos" unless that business is yours.
6. "Bodily injury" arising directly or indirectly out of:
 - a. War, including undeclared or civil war;
 - b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
 - c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

7. "Bodily Injury" to anyone using a vehicle without a reasonable belief that the person is entitled to do so.
8. "Bodily Injury" sustained by an "insured" while "occupying" any covered "auto" while used in any professional racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply to any "bodily injury" sustained by an "insured" while the "auto" is being prepared for such a contest or activity.

D. Limit Of Insurance

Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for "bodily injury" for each "insured" injured in any one "accident" is the Limit Of Insurance for Auto Medical Payments Coverage shown in the Declarations.

No one will be entitled to receive duplicate payments for the same elements of "loss" under this coverage and any Liability Coverage Form, Uninsured Motorists Coverage Endorsement or Underinsured Motorists Coverage Endorsement attached to this Coverage Part.

E. Changes In Conditions

The Conditions are changed for Auto Medical Payments Coverage as follows:

1. The Transfer Of Rights Of Recovery Against Others To Us Condition does not apply.
2. The reference in Other Insurance in the Auto Dealers and Business Auto Coverage Forms and Other Insurance - Primary And Excess Insurance Provisions in the Motor Carrier Coverage Form to "other collectible insurance" applies only to other collectible auto medical payments insurance.

F. Additional Definitions

As used in this endorsement:

1. "Family member" means a person related to you by blood, marriage or adoption who is a resident of your household, including a ward or foster child.
2. "Occupying" means in, upon, getting in, on, out or off.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROFESSIONAL SERVICES NOT COVERED

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

Covered Autos Liability Coverage is changed by adding the following exclusions:

This insurance does not apply to:

1. "Bodily injury" resulting from the providing or the failure to provide any medical or other professional services.

2. "Bodily injury" resulting from food or drink furnished with these services.

3. "Bodily injury" or "property damage" resulting from the handling of corpses.

EXHIBIT 2

Exhibit A
Page 216 of 270

From: Greenfield, Julia A (HSS)
To: Greenfield, Julia A (HSS)
Bcc: "aldergroveassistedliving@hotmail.com"; "karl@psliving.com"; "rddgr@acsalaska.net";
"assistedliving@mtaonline.net"; "muhlenbruch@gcl.net"; "ms.michelle11e@hotmail.com";
"happyhavenah@gmail.com"; "thenelands@gmail.com"; "marcella.livesav@rescare.com";
"lyndapromise@yahoo.com"; "britta.norddiving@gmail.com"; "tanashpard@hotmail.com"; "skylone-ALH-
LLC@hotmail.c"; "thelobartehs@yahoo.com"; "keren@homerseniors.com"; "havenwc@gmail.com"; "damien
baxterseniorliving.com"; "timh@baxterseniorliving.com"; "Raymond Collins III"; "Jo-Anne Sullivan"
Subject: FW: COVID - 19 CDC Information
Date: Thursday, March 12, 2020 4:22:49 PM

Hello all,

Please see below regarding the latest update. As always, give me a call or e-mail if you would like to discuss or have any questions. And as a reminder: my work cell is 907-717-4843.

Kind Regards,

Julia Greenfield

Community Care Licensing Specialist I
State of Alaska: DHSS
Residential Licensing
4501 Business Park Blvd.
Building L
Anchorage, AK 99503
Phone: (907)269-3642
e-mail: julia.greenfield@alaska.gov
Fax: (907) 269-3622 Attention: Julia Greenfield

CONFIDENTIALITY NOTICE: This electronic mail message may contain confidential and/or privileged information. This message, including any attachments, is intended solely for the use of the individual or entity named above. If the reader of this e-mail message is not the intended recipient, you are hereby notified that any review, disclosure, copying or distribution of this communication is expressly prohibited. If you are not the intended recipient, please immediately notify the sender by reply e-mail and delete any of the original message.

From: Baxter, Craig S (HSS)
Sent: Thursday, March 12, 2020 3:00 PM

Dear Provider

The CDC has recommended the following interventions be taken by Assisted Living Facilities to reduce the risk covid – 19 poses to residents of your facilities.

- Implement social distancing measures, e.g.:
 - Cancel large gatherings (e.g., group social events with 10 or more people)
 - Alter schedules to reduce mixing (e.g., stagger meal, activity, arrival/departure times)
 - Limit programs with external staff
- Daily upon arrival temperature and respiratory symptom screening of attendees, staff.

EXHIBIT 2
Complaint
Page 1 of 3

Exhibit A
Page 217 of 270

- Staff should wear masks and wash hands thoroughly before entering and after exit of room of inhabitants
- Consider suspension of new admissions to facilities
- Short-term closures as needed (e.g., if cases in staff, residents or clients who live elsewhere) for cleaning and contact tracing
- Longer-term closure or quarantine of facility until situation resolved.
- Suspend visitor access but arrange for alternate means for family members to communicate (e.g., staff assist with phone calls or videoconferences with visitors).
- Exceptions for end-of-life family visits need to be considered, with limited access of visitors to other areas or people in the facility and these patients should be in a different areas to ensure other clients are not exposed to outside guests.

The goals of these measures are to protect individuals who are at risk for severe illness, including persons of any age with underlying health conditions, particularly among elderly adults. This includes the residents of all assisted living homes. **Underlying medical conditions that may increase the risk of serious COVID-19 for individuals of any age include;**

- Blood disorders (e.g., sickle cell disease or on blood thinners)
- Chronic kidney disease as defined by your doctor. Patient has been told to avoid or reduce the dose of medications because kidney disease, or is under treatment for kidney disease, including receiving dialysis
- Chronic liver disease as defined by your doctor. (e.g., cirrhosis, chronic hepatitis) Patient has been told to avoid or reduce the dose of medications because liver disease or is under treatment for liver disease.
- Compromised immune system (immunosuppression) (e.g., seeing a doctor for cancer and treatment such as chemotherapy or radiation, received an organ or bone marrow transplant, taking high doses of corticosteroids or other immunosuppressant medications, HIV or AIDS)
- Current or recent pregnancy in the last two weeks
- Endocrine disorders (e.g., diabetes mellitus)
- Metabolic disorders (such as inherited metabolic disorders and mitochondrial disorders)
- Heart disease (such as congenital heart disease, congestive heart failure and coronary artery disease)
- Lung disease including asthma or chronic obstructive pulmonary disease (chronic bronchitis or emphysema) or other chronic conditions associated with impaired lung function or that require home oxygen

Addition information regarding Covid – 19 can be found at
<http://dhss.alaska.gov/dph/Epi/id/Pages/COVID-19/default.aspx>

Craig Baxter
 Program Manager
 Residential Licensing Program

EXHIBIT 2
 Complaint
 Page 2 of 3

Exhibit A
Page 218 of 270

Health Care Services
State of Alaska
Phone:(907) 334-2492
Fax:(907) 269-3622

EXHIBIT 2
Complaint
Page 3 of 3

Exhibit A
Page 219 of 270

EXHIBIT 3

Exhibit A
Page 220 of 270



Introduction & Overview

On March 11, 2020, Governor Dunleavy issued a Public Health Disaster Emergency related to the COVID-19 global pandemic. The Governor's authority to respond to this emergency was extended to November 15, 2020 when SB 241 was passed by the legislature and signed into law by the Governor.

The Alaska Department of Health and Social Services (DHSS) divisions of Health Care Services and Senior and Disabilities Services are providing the following guidance for operating congregate residential settings, also known as residential care facilities (RCF) during the current public health emergency related to COVID-19.¹ There is no question that RCFs have been impacted by COVID-19 due to the vulnerable nature of the RCF home population – combined with the inherent risks of congregate living in a health care setting – which requires aggressive efforts to limit COVID-19 exposure and to prevent the spread of COVID-19 within these facilities.

Under the authority of the emergency declaration, on March 17, 2020, Dr. Anne Zink, Alaska's Chief Medical Officer issued Health Alert 007, which limited visitation in RCFs. On March 28, 2020, the Governor issued Health Mandate 11, which included a stay-at-home order. This stay-at-home order limited the ability of residents of RCFs to access the community. To date, the health advisory remains in effect but the stay-at-home order has been rescinded. These advisories and mandates are not exact but were designed to mitigate the spread of COVID-19. However, no plan can provide absolute assurance that the virus that causes COVID-19 will not be introduced into a RCF. Even in situations where local community transmission is not known to be occurring and all safeguards are in place, COVID-19 cases and outbreaks may still occur. COVID-19 is circulating widely throughout the United States and many people can be infected and contagious without having any symptoms whatsoever.

Criteria-Based Phase System

Given the critical importance of limiting COVID-19 exposure in facilities, decisions on relaxing restrictions should be made with careful review of a wide range of factors at the congregate setting, community, and statewide levels. Because the pandemic is affecting communities in different ways, RCF owners, operators and administrators should evaluate and implement measures to ensure overall safety and well-being of all of its residents², taking into consideration the ages and diagnoses of residents, and the prevalence of COVID-19 in the local community. The evaluation should consider the following:

1. Input from local community and medical leaders;
2. Review current case reporting data provided by the Division of Public Health;

¹ A congregate residential setting is an environment where a number of people reside in close proximity for either a limited or extended period of time. Examples include group homes, adult family habilitation, child family habilitation, adult residential treatment center, residential child care facilities, residential psychiatric treatment facilities, therapeutic foster homes, senior living centers, assisted living homes, therapeutic foster care, youth residential substance abuse, youth residential mental health, adult residential mental health, and adult residential substance abuse.

² Prior to relaxing any restrictions, the U.S. Centers for Medicare and Medicaid Services (CMS) recommends assessing the following to inform decisions about relaxing restrictions: (1) Case status in community; (2) Access to adequate PPE for staff; (3) Local hospital capacity; (4) Case status in the congregate setting(s); (5) Adequate staffing and (6) Universal source control.

3. Input from residents or their representatives regarding:
 - a. requests to deviate from house rules or guidelines;
 - b. the risk associated with specific activities and visitors;

To assist RCFs in evaluating these factors, the state has developed a three-phased plan that could be used in operating a facility. These are only recommendations; a facility may develop their own phases or protocols to operate. Regardless of what plan is utilized, RCFs should regularly monitor all of the above factors related to the operation of its facility and adjust accordingly.

PLEASE NOTE:

This is a guidance document prepared by the Alaska Department of Health and Social Services. All other state and federal statute and regulations apply to the operation of your RCF.

RCFs may choose to use this phased-in system, develop their own or adopt another guidance document.

Upon adoption of the guidance document, the actions contained in that document become mandatory as your facilities requirements.

Upon adoption of the guidance document, or something similar, the RCF will be evaluated on its compliance. If an RCF fails to meet all the phase criteria and continues to progress to a less stringent phase, the facility may be subject to enforcement action(s) against their CMS certification and/or state licensure through the survey process.

The following phases include considerations and mitigation steps. All facilities are currently in Phase I, and the phasing guidance includes criteria that **MUST** be met by the facility prior to transition to the next phase.

PHASE I

- Each phase should be in operation of a minimum of 14 days prior to advancing to the next phase.
- If a congregate setting identifies a new onset COVID-19 case while in any phase, the congregate setting should start over at Phase I.

Consideration	Mitigation Steps
Community Case Status	COVID-19 disease burden in the community (defined as the region as specified by the Division of Public Health) is > 10 new cases per 100,000 persons per day over the prior 14 days. This disease burden is designated as a RED community alert level on the Alaska Coronavirus Response Hub .
Visitation and Other Entry of Individuals	Facilities are encouraged to prohibit visitation, except for essential medical professionals and compassionate care situations. In those limited situations, visitors should be screened and additional precautions should be taken, including social distancing and hand hygiene (e.g. use alcohol-based hand rub upon entry). This also applies to visitation for minors. All visitors should wear a cloth face covering or facemask for the duration of their visit. The congregate setting should develop and implement policies and procedures related to residents and visitors wearing a cloth face covering or facemask. Visitors should sign in and provide contact information; the log of visitors should be kept for 30 days.
Dining/Activities	Communal dining limited (for COVID-19 negative or asymptomatic residents only), but residents may eat in the same room with social distancing (limited number of people at tables and spaced by at least 6 feet). Restrict group activities; some activities may be conducted for COVID-19 negative or asymptomatic residents only, with social distancing, hand hygiene, and use of a cloth face covering or facemask.

EXHIBIT 3
Complaint
Page 2 of 9

Exhibit A
Page 222 of 270

Community Trips/Activities	Facilities should avoid non-medically necessary trips and activities outside the congregate setting. For any trips away from the congregate setting: <ul style="list-style-type: none">• The resident should wear a cloth face covering or facemask; and• The congregate setting should share the resident's COVID-19 status with the transportation service and entity with whom the resident has the appointment or activity.	
Screening	100% screening of all persons entering the congregate setting and all staff at the beginning of each shift: <ul style="list-style-type: none">• Temperature checks• Ensure all outside persons entering building have cloth face covering or facemask• Questionnaire about symptoms and potential exposure• Observation of any signs or symptoms	100% screening (at least daily) for all residents and staff <ul style="list-style-type: none">• Temperature checks• Questions about and observation for other signs or symptoms of COVID-19
Adequate Access & Use of PPE/Universal Source Control	All staff should wear appropriate PPE when they are interacting with residents, to the extent PPE is available and consistent with CDC guidance on optimization of PPE. Staff may wear cloth face covering if facemask is not indicated. Universal source control for everyone in the congregate setting. Residents and visitors wear cloth face covering or facemask when interacting.	
Resident/Staff Testing	NEW ADMISSION TESTING: Facilities should follow the <u>asymptomatic testing guidelines</u> issued on 04/28/2020 of residents prior to and after admission. SYMPTOMATIC TESTING: Any resident(s) or staff member(s) who have been identified with symptoms consistent with COVID-19 should be tested. See Appendix A* for additional guidance of positive test, isolation, quarantine and close contact.	
Management of Positive COVID Tests	If possible, dedicate space in congregate setting to manage the care for residents who test positive COVID-19. Work with hospitals and State of Alaska Section of Epidemiology on readmitting residents who were hospitalized with COVID-19. Facilities should develop a response and care plan in the event a resident or staff tests positive for COVID-19.	
PHASE II <ul style="list-style-type: none">• Each phase should be in operation of a minimum of 14 days prior to advancing to the next phase.• If a congregate setting identifies a new onset COVID-19 case while in any phase, the congregate setting should start over at Phase I.		
Consideration	Mitigation Steps	
Community Case Status	COVID-19 disease burden in the community (defined as the region as specified by the Division of Public Health) is 5-10 new cases per 100,000 persons per day over the prior 14 days. This disease burden is designated as an ORANGE community alert level on the <u>Alaska Coronavirus Response Hub</u> .	
Congregate Setting Case Status	There have been no new COVID-19 cases in the congregate setting for 14 days. If a new case is discovered in a congregate setting, the congregate setting should return to Phase I unless directed by Public Health.	
Adequate Staffing	The congregate setting is not experiencing staff shortages.	
Access to Adequate Testing	The congregate setting has adequate access to testing for COVID-19 in their community.	
Universal Source Control	The congregate setting should implement policies and procedures related to residents and visitors wearing a cloth face covering or facemask. If a visitor is unable or unwilling to maintain these precautions (such as young children), consider restricting their ability to enter the congregate setting. All visitors should maintain social distancing and perform hand washing or sanitizing upon entry to the congregate setting. Universal source control for everyone in the congregate setting. Residents and visitors entering should wear cloth face covering or facemask.	

EXHIBIT 3
Complaint
Page 3 of 9

Exhibit A
Page 223 of 270

Access to Adequate PPE & Use of PPE	The congregate setting has adequate supplies of personal protective equipment and essential cleaning and disinfection supplies to care for residents. All staff wear all appropriate PPE when indicated. Staff wear cloth face covering if facemask is not indicated, such as administrative staff.	
Local Hospital Capacity	Referral hospital(s) have bed capacity on wards and intensive care units.	
Visitation and Other Entry of Individuals	<p>Visitation should be limited to compassionate care, essential medical professionals, and close family visitation. In those limited situations, visitors are screened and additional precautions are taken, including social distancing, and hand hygiene (e.g., use alcohol-based hand rub upon entry). All visitors should wear a cloth face covering or facemask for the duration of their visit. This also applies to visitation for minors. Additional considerations may be taken regarding visitation for minors during this phase due to family or cultural needs.</p> <p>Allow entry of limited numbers of non-essential health care personnel/contractors as determined necessary by the congregate setting, with screening and additional precautions including social distancing, hand hygiene, and cloth face covering or facemask. Visitors should sign in and provide contact information; the log of visitors should be kept for 30 days.</p>	
Screening	<p>100% screening of all persons entering the congregate setting and all staff at the beginning of each shift:</p> <ul style="list-style-type: none"> • Temperature checks • Ensure all outside persons entering building have cloth face covering or facemask • Questionnaire about symptoms and potential exposure • Observation of any signs or symptoms 	<p>100% screening (at least daily) for all residents</p> <ul style="list-style-type: none"> • Temperature checks • Questions about and observation for other signs or symptoms of COVID-19
Resident/Staff Testing	<p>NEW ADMISSION TESTING: Follow the <u>asymptomatic testing guidelines</u> issued on 04/28/2020 of residents prior to and after admission.</p> <p>SYMPTOMATIC TESTING: Any resident(s) or staff member(s) who have been identified with symptoms consistent with COVID-19 should be tested.</p> <p>See Appendix A* for additional guidance of positive test, isolation, quarantine and close contact.</p>	
Dining/Activities	<p>Communal dining limited (for COVID-19 negative or asymptomatic residents only), but residents may eat in the same room with social distancing (limited number of people at tables and spaced by at least 6 feet).</p> <p>Group activities, including outings, limited (for asymptomatic or COVID-19 negative residents only) with no more than 10 people and social distancing among residents, appropriate hand hygiene, and use of a cloth face covering or facemask.</p>	
Community Trips/Activities	<p>Facilities should consider the safety and necessity of any activity/trip outside the congregate setting. For any trips away from of the congregate setting:</p> <ul style="list-style-type: none"> • The resident should wear a cloth face covering or facemask; and • The congregate setting should share the resident's COVID-19 status with the transportation service and entity with whom the resident has the appointment or activity. 	
Management of New Cases & Admissions	<p>If possible, dedicate space in the congregate setting to manage the care for residents who test positive COVID-19.</p> <p>Work with hospitals and State of Alaska Section of Epidemiology on readmitting residents who were hospitalized with COVID-19.</p> <p>Facilities should develop a response plan in the event a resident or staff tests positive for COVID-19.</p>	

EXHIBIT 3
Complaint
Page 4 of 9

Exhibit A
Page 224 of 270

PHASE III

- Each phase should be in operation of a minimum of 14 days prior to advancing to the next phase.
- If a congregate setting identifies a new onset COVID-19 case while in any phase, the congregate setting should start over at Phase I.

Consideration	Mitigation Steps	
Community Case Status	COVID-19 disease burden in the community (defined as the region as specified by the Division of Public Health) is \leq an average of 5 new cases per 100,000 persons per day over the prior 14 days. This disease burden is designated as a YELLOW community alert level on the Alaska Coronavirus Response Hub .	
Congregate Setting Case Status	There have been no new cases in the congregate setting for 28 days (through phases 1 and 2). If a new case is discovered in a congregate setting, the congregate setting should return to Phase I unless directed by Public Health.	
Adequate Staffing	The congregate setting is not experiencing staff shortages.	
Access to Adequate Testing	The congregate setting has adequate access to testing for COVID-19 within their community.	
Universal Source Control	Universal source control for everyone in the congregate setting. Residents and visitors wear cloth face covering or facemask.	
Access to Adequate PPE & Use of PPE	The congregate setting has adequate supplies of personal protective equipment and essential cleaning and disinfection supplies to care for residents. All staff wear all appropriate PPE when indicated. Staff wear cloth face covering if facemask is not indicated, such as administrative staff.	
Local Hospital Capacity	Referral hospital(s) have bed capacity on wards and intensive care units.	
Visitation and other Entry of Individuals	<p>Visitation should be allowed with screening and additional precautions, including ensuring social distancing and hand hygiene (e.g., use alcohol-based hand rub upon entry). All visitors should wear a cloth face covering or facemask for the duration of their visit. Visitors should sign in and provide contact information; the log of visitors should be kept for 30 days. This also applies to visitation for minors. Additional considerations may be taken regarding visitation for minors during this phase due to family or cultural needs.</p> <p>Allow entry of non-essential health care personnel/contractors as determined necessary by the congregate setting, with screening and additional precautions including social distancing, hand hygiene, and cloth face covering or facemask.</p> <p>Allow entry of volunteers, with screening and additional precautions including social distancing, hand hygiene, and cloth face covering or facemask.</p>	
Screening	<p>100% screening of all persons entering the congregate setting and all staff at the beginning of each shift:</p> <ul style="list-style-type: none"> • Temperature checks • Ensure all outside persons entering building have cloth face covering or facemask • Questionnaire about symptoms and potential exposure • Observation of any signs or symptoms 	<p>100% screening (at least daily) for all residents</p> <ul style="list-style-type: none"> • Temperature checks • Questions about and observation for other signs or symptoms of COVID-19
Resident/Staff Testing	<p>NEW ADMISSION TESTING: Follow the asymptomatic testing guidelines issued on 04/28/2020 of residents prior to and after admission.</p> <p>SYMPTOMATIC TESTING: Any resident(s) or staff member(s) who have been identified with symptoms consistent with COVID-19 should be tested.</p> <p>See Appendix A* for additional guidance of positive test, isolation, quarantine and close contact.</p>	

Dining/Activities	<p>Communal dining limited (for COVID-19 negative or asymptomatic residents only), but residents may eat in the same room with social distancing (limited number of people at tables and spaced by at least 6 feet).</p> <p>Group activities, including outings, allowed (for asymptomatic or COVID-19 negative residents only) with no more than the number of people where social distancing among residents can be maintained, appropriate hand hygiene, and use of a cloth face covering or facemask.</p>
Community Activities/Trips	<p>For any trips away from of the congregate setting:</p> <ul style="list-style-type: none"> • The resident MUST wear a cloth face covering or facemask; and • The congregate setting MUST share the resident's COVID-19 status with the transportation service and entity with whom the resident has the appointment or activity.
Management of New Cases & Admissions	<p>If possible, dedicate space in congregate setting to manage the care for residents who test positive COVID-19.</p> <p>Work with hospitals and State of Alaska Section of Epidemiology on readmitting residents who were hospitalized with COVID-19.</p> <p>Facilities MUST develop a response plan in the event a resident or staff tests positive for COVID-19.</p>

Definitions

A congregate residential setting is an environment where a number of people reside in close proximity for either a limited or extended period of time to include the following:

Group Homes: A subtype of Medicaid waiver service under Residential Habilitation. Group homes habilitation is provided in assisted living homes licensed to provide 24/7 residential care to two or more eligible waiver recipients who are 18 years of age or older.

Family Habilitation Homes: A subtype of Medicaid waiver service under Residential Habilitation. Family habilitation is provided in assisted living homes or foster homes licensed to provide 24/7 residential care to eligible waiver recipients.

Residential Supported Living: A Medicaid waiver service that is provided in a licensed assisted living home to eligible waiver recipients.

Residential Child Care Facilities: A facility licensed as a residential child care facility by DHSS.

Residential Psychiatric Treatment Center (RPTC): Residential psychiatric treatment center means a freestanding facility that provides residential child care and inpatient psychiatric services for the diagnosis and treatment of child and adolescent mental, emotional, or behavioral disorders and or is licensed as a residential psychiatric treatment center facility by DHSS.

Senior Living Centers: Any type of living situation for older adults that includes common dining facilities, housekeeping services, transportation, staffing, or a combination of these. May also be referred to as "age-restricted communities" or "continuing care retirement communities, "memory care facilities" or others.

Assisted Living Homes: A facility licensed as an assisted living home by DHSS.

Therapeutic Foster Care: Licensed to provide care to youth at lower acuity than residential psychiatric treatment centers.

Residential Care: A residential living arrangement that provides a structured setting with supervision and care, and could include a facility providing residential care is one that offers: residential adult substance abuse, residential adult mental health, residential youth substance abuse, and residential youth mental health.

***Appendix A**

Positive Test Guidance: What should you do?

In the event of a positive test:

1. In a recipient or staff member: Isolate the recipient or staff member immediately, for 10 days. This means that they need to stay in their own room for 10 days (the clock starts when they have their first symptom, or their positive test, whichever happens first). They should not share a bathroom with anyone else if possible. Report the case to the Alaska Section of Epidemiology. Notify all close contacts that they must quarantine for 14 days; this may include family, roommates, other recipients, staff, visitors, and anyone else the person has been in close contact with.
2. A person with a positive test can come off of isolation and resume their usual activities (including work) once it has been 10 days since their first symptom or positive test (whichever was first), as long as they have not had a fever in at least 24 hours and their other symptoms have improved. This is a change from old CDC guidelines which required 72 hours without a fever. Public health will typically clear people to go back to work.
3. A person who has one positive test should not be tested again for three months. Some people stay positive for up to three months but it does not mean they are contagious. People stop being contagious after a maximum of ten days.

Isolation Guidance

CDC changed their guidance recently regarding the discontinuation of isolation after a positive COVID-19 test, essentially recommending a time-based strategy (NOT a test-based strategy) using clinical criteria:

- If a person (staff or resident) has tested positive and had no symptoms, they should discontinue isolation 10 days after the positive test.
- If a person (staff or resident) tested positive for COVID-19 and had symptoms but did not need hospitalization, they should discontinue isolation 10 days after their first symptom or positive test, whichever was earlier, as long as they have not had a fever in the last 24 hours (in the absence of fever-reducing medications) and their other symptoms are improving.
- If a person (staff or resident) tested positive for COVID-19 with a severe or critical illness or who is severely immunocompromised, they should discontinue isolation 20 days after their first symptom or positive test, whichever was earlier, as long as they have not had a fever in the last 24 hours (in the absence of fever-reducing medications) and their other symptoms are improving. Follow [CDC severity criteria](#).
- Please review the CDC recommendations on [Discontinuation of Transmission-Based Precautions COVID-19](#) and [Duration of Isolation and Precautions for Adults with COVID-19](#).

Isolation versus Quarantine: What's the Difference?

Isolation is used to separate people infected with SARS-CoV2, the virus that causes COVID-19, from people who are not infected. The duration of the isolation depends upon a number of factors, depending on patient's symptoms (see above).

Quarantine is used to keep someone who might have been exposed to COVID-19 away from others. Quarantine helps prevent spread of disease that can occur before a person knows they are sick or if they are infected with the virus without feeling symptoms. When someone has been within 6 feet for 15 minutes or more of a known case (named as a close contact), they must quarantine for 14 days and watch for symptoms. The only variation to this is new admissions should quarantine and limit contact with others.

Close Contact Guidance

Someone who has been named as a close contact to a known positive case (meaning that they were within 6 feet of someone who was positive for at least 15 minutes) must quarantine for 14 days. This means staying in a room that they do not share with others, ideally with their own bathroom; not leaving where they live for any reason and staying away from others as much as possible for 14 days.

PLEASE NOTE:

- Getting a negative test cannot shorten quarantine. Everyone must quarantine for 14 days. They should watch for symptoms and get tested if they develop any symptoms.
- People in quarantine do not need to get tested if they do not have any symptoms.
- They may go back to work after 14 days as long as they have not had any more contact with anyone who is positive. If they have contact with someone who is positive (for instance, a spouse has COVID-19 and they can't live separately), then their 14 days of quarantine are extended and have to include 14 days **after** their spouse is done with their 10-day isolation period.
- Contacts of contacts do not need to quarantine or get tested. If a staff member's spouse gets COVID-19, the staff member needs to quarantine but nobody else does unless they have been in close contact with the spouse.
- Because it is possible to infect someone else with virus for up to two days before someone gets symptoms or tests positive, individuals are considered close contacts if they were around the positive case for up to **two days before** the first symptom started or the first positive test was taken, whichever is earlier.

BANKSTON GRONING BRECHT P.C.
Attorneys at Law
188 W. Northern Lights Blvd., Suite 1020
Anchorage, Alaska 99503
Tel. (907) 276-1711 - Fax (907) 279-5358

AFFIDAVIT OF KARL DRUCKS

STATE OF OREGON }
MULTNOMAH COUNTY } ss.
 }

I, Karl Drucks, being first duly sworn, depose and state:

1. I am a resident of the State of Oregon, over the age of 18, and I have personal knowledge of the facts stated herein.

2. I am currently employed as the Regional Director of Paradigm Senior Living ("Paradigm"), which is a national assisted living and senior housing property management company that provides management, senior living marketing, development services, market analysis and feasibility consulting and advisory services to the Assisted Living, Retirement Community. In my role as Regional Director of Paradigm, I supervise the management and compliance with governmental regulations of assisted living facilities in Alaska, Hawaii, and California. Paradigm currently manages the facility known as Baxter Senior Living ("Baxter"), which is located in Anchorage, Alaska.

3. Paradigm was the manager of Baxter in March 2020, during the outbreak of the Covid-19 pandemic, and it continues to be responsible for Baxter's management currently.

4. Covid-19 is a highly contagious and infectious respiratory virus, which causes significant and severe complications among elderly populations and those with preexisting conditions and comorbidities. The vast majority, if not all of the residents, at the senior living facilities managed by Paradigm, including Baxter, are at significant risk of severe complications from Covid-19.

5. In March 2020, not much was known about Covid-19. It is nearly impossible to manage an infectious disease when not a lot is known about the virus itself.

6. On or about March 12, 2020, I received an email from Julia Greenfield, a community care and licensing specialist at the State of Alaska, Department of Health and

AFFIDAVIT OF KARL DRUCKS

EXHIBIT 4
Complaint
Page 1 of 15

Page 1 of 5

Exhibit A
Page 230 of 270

Human Services. A true and correct copy of this email is attached to this affidavit as **Exhibit 1**. The March 12, 2020 email was forwarded from Craig Baxter, the residential licensing manager at the State of Alaska Department of Health and Human Services. I understand that Craig is Julia's superior.

7. The March 12, 2020 was cc'd to approximately 20 other individuals. Some of these individuals are or were employed by Baxter. Upon information and belief, I understand that the other individuals cc'd to the March 12, 2020 email work at assistant living facilities in Anchorage or for the State of Alaska.

8. The March 12, 2020 email included recommendations from the Center for Disease Control ("CDC"), and it expressly stated that Baxter should "consider suspension of new admissions to facilities."

9. Upon receiving the March 12, 2020 email, Baxter did not consider a directive from the CDC, in the midst of a global pandemic, to be a suggestion. As a caretaker of elderly residents, it was imperative that Baxter act immediately to protect the health and safety of its residents and staff. While the safety of Baxter's residents and staff is paramount, Baxter also recognizes that it has a duty to protect its facility and act diligently to mitigate its damages in the event of claims for insurance coverage or lawsuits that should arise.

10. During the Covid-19 pandemic, I have worked with assisted living facilities in California, Hawaii, Alaska, Arizona, and Florida to respond to and comply with directives issues by various state governments and licensing agencies. Each of these licensing departments sends out its own edits and directives and each provider is required to comply.

11. Upon receiving the March 12, 2020 email, I contacted Baxter's then manager, Damien Jones, and we discussed the guidance provided by the CDC in the March 12, 2020 email. On March 12, 2020 or within the days immediately following that email, Baxter immediately suspended new admissions to its facility. Similarly, Baxter

AFFIDAVIT OF KARL DRUCKS

EXHIBIT 4
Complaint
Page 2 of 15

Page 2 of 5

suspended guests' ability to visit the premises, and it instituted strict social distancing and hygiene protocols for its residents and staff out of an abundance of caution.

12. Baxter's policy of suspending new admissions lasted for several weeks. On March 25, 2020, I emailed Julia, and I requested clarification as to whether or not Baxter was permitted to admit new residents under the guidelines issued by the CDC, included in her March 12, 2020 email.

13. Julia responded to my email on March 25, 2020, and she noted that Baxter was able to admit new residents as long as it followed the guidelines that she attached to her response to me.

14. The following day, March 26, 2020, I responded to Julia's email, and I indicated that Baxter's staff had expressed significant concern about asymptomatic transmission of new residents to Baxter's facilities. I indicated that I would discuss this matter with Baxter's staff and determine how best to proceed. A true and correct copy of the correspondence that I exchanged with Julia on March 25-26, 2020 is attached to this affidavit as **Exhibit 2**.

15. For the period from March 12, 2020 to at least March 26, 2020, Baxter did not admit any new residents in accordance with the CDC's directives, which were included in Julia's March 12, 2020 email.

16. In addition, during March 2020, healthcare providers and assisted living facilities were dealing with a shortage of personal protective equipment, including gowns, masks, and gloves. These shortages, and the facilities' inability to restock its stores, contributed to Baxter's concern about admitting new patients into its facility. In some states, health care facilities agreed to share their stores of personal protective equipment with assisted living facilities, but Alaska was not one of them.

17. On at least one occasion in March or April 2020, Baxter's then manager, Damien, ordered personal protective equipment for Baxter. After the supplier had accepted the order, it was cancelled. I am not aware of the reason for the cancellation. It was very

AFFIDAVIT OF KARL DRUCKS

EXHIBIT 4
Complaint
Page 3 of 15

Page 3 of 5

difficult to find additional sources of personal protective equipment at this time because nothing was available due to the high demand and outbreaks which were occurring in the Lower 48.

18. Baxter has been functioning under its best practices, but unfortunately, as it pertains to assisted living facilities, the question is not whether Covid-19 will enter the facility, but how the provider will contain the spread once the virus enters the facility. To date, of all the assisted living facilities that I work with, Baxter has the lowest per capita positive tests as it pertains to residents and staff.

19. I am presently on bi-weekly calls regarding the distribution of the Covid-19 vaccine when one is available. Baxter is not the only assisted living facility in Anchorage, Alaska. The Pioneer Home, which has campuses in both Anchorage and Fairbanks, has experienced significant outbreaks of Covid-19. Similarly, other assisted living facilities in Anchorage have experienced staff shortages as a result of the pandemic. On these bi-weekly calls, Baxter has been asked by the Alaska Department of Health and Human Services if it would be willing to share its staff with other assisted living facilities in Anchorage. Since Baxter establishes and utilizes best practices to contain the spread of Covid-19, Baxter is not willing to share its employees with other facilities at this time.

20. Baxter has incurred additional expenses to contain the spread of Covid-19. Baxter purchased two thermal temperature scanners at the cost of \$1,900 each to measure the staff's temperatures upon arrival at the facility. Baxter has similarly had to expend additional funds to purchase additional personal protective equipment in light of the shortages previously experienced in the spring of 2020.

21. There was a significant period of time where Baxter would not permit its residents to eat their meals in the dining hall, due to concerns about the spread of Covid-19. Since the residents were isolated to their rooms, Baxter had to expend additional funds to purchase disposable plates and meal trays for every resident, for each meal the resident is

AFFIDAVIT OF KARL DRUCKS

EXHIBIT 4
Complaint
Page 4 of 15

Page 4 of 5

Exhibit A
Page 233 of 270

served. This was a significant expense, which would not have been necessary absent Covid-19 and Baxter's attempts to prevent the spread of such within its facility.

22. I believe that there are other costs which Baxter has incurred as a result of the Covid-19 pandemic. Since the pandemic is ongoing, I believe that Baxter continues to incur additional costs as a result of Covid-19.

23. In addition to these additional expenditures, I understand that Covid-19 has affected some residents interested in Baxter. Therefore, while Baxter has expended additional funds to slow and ideally prevent the spread of COVID-19 at its facility, it has lost additional revenue and suffered an interruption in its business.

24. Despite Baxter's best efforts to prevent Covid-19 from reaching its facility, the first resident of Baxter tested positive for Covid-19 on or about August 28 or 29, 2020.

25. Since the start of the pandemic in March 2020, Baxter has experienced fewer than five positive tests, including both residents and staff, since March of 2020. As of November 13, 2020, that number has since increased to 26 residents and 18 staff members, for a total of 44 positive cases.

26. The precautions that Baxter implemented has drastically decreased, and hopefully extinguished, the ability for Covid-19 to spread within its facility. If Baxter did not take these precautions, and Covid-19 were to spread within the facility, Baxter's costs and claim to Zurich Insurance would be significantly greater.

DATED at Anchorage, Alaska, this 30th day of November, 2020.

Karl Drucks

KARL DRUCKS

SUBSCRIBED AND SWORN to before me this ____ day of November, 2020, at Portland, Oregon.

[Seal]

NOTARY PUBLIC for the State of Oregon
My Commission Expires: _____

AFFIDAVIT OF KARL DRUCKS

EXHIBIT 4
Complaint
Page 5 of 15

Page 5 of 5

From: Greenfield, Julia A (HSS)
To: Greenfield, Julia A (HSS)
Bcc: "akemomweassistedliving@hotmail.com"; "jard@osliving.com"; "rodkn@alaska.net"; "assistedliving@mtaonline.net"; "muhlenbruch@oci.net"; "ms.michelle11@hotmail.com"; "benelands@gmail.com"; "marcelle.livesay@rescare.com"; "vndabromise@yahoo.com"; "brittondickling@gmail.com"; "loushew@alaskamail.com"; "stevie24111@hotmail.com"; "kateberleis@yahoo.com"; "jensen@homerescare.com"; "loushew@alaskamail.com"; "baxter@assistedliving.com"; "louis@assistedliving.com"; "Raymond Collins III"; "JoAnne.Sullivan"
Subject: FW: COVID-19 resources for high-risk populations
Date: Thursday, March 12, 2020 10:31:09 AM

Hello all,

Please see below regarding the most recent update on COVID-19 and recommendations for Assisted Living Facilities. I am reading through this myself, so I can answer any questions as they arise.

As a reminder, please refer to the Alaska Department of Health and Social Services and CDC websites for information regarding COVID-19 and any updates. Any information we pass on will be from these sources.

Kind Regards,

Julia Greenfield

Community Care Licensing Specialist I
State of Alaska: DHSS
Residential Licensing
4501 Business Park Blvd.
Building L
Anchorage, AK 99503
Phone: (907)269-3642
e-mail: julia.greenfield@alaska.gov
Fax: (907) 269-3622 Attention: Julia Greenfield

CONFIDENTIALITY NOTICE: This electronic mail message may contain confidential and/or privileged information. This message, including any attachments, is intended solely for the use of the individual or entity named above. If the reader of this e-mail message is not the intended recipient, you are hereby notified that any review, disclosure, copying or distribution of this communication is expressly prohibited. If you are not the intended recipient, please immediately notify the sender by reply e-mail and delete any of the original message.

From: Baxter, Craig S (HSS)
Sent: Thursday, March 12, 2020 10:23 AM

You can forward this to all your providers it is from an SDS e-alert

Craig Baxter
Program Manager
Residential Licensing Program
Health Care Services
State of Alaska
Phone:(907) 334-2492
Fax:(907) 269-3622

From: Mommsen, Lanny S (HSS)
Sent: Thursday, March 12, 2020 9:59 AM

FYI:

SDS E-Alert: COVID-19 Update for Wednesday March 11, 2019

The Alaska Department of Health and Social Services has expanded the information available on its [COVID-19 webpage](#) to address high-risk populations at a new [Specific Groups page](#), with direct links noted below.

EXHIBIT 4
Complaint
Page 6 of 15

- Direct link to recommendations concerning high risk populations (for long term care facilities; providers of long term services and supports; and seniors, individuals with underlying medical conditions, and their caregivers) :
http://dhss.alaska.gov/dph/Epi/Id/SiteAssets/Pages/HumanCoV/DHSS_HighRiskGroups_Recommendations.pdf
- Direct link to guidance on residential care provided in nursing facilities, assisted living and other residential settings: http://dhss.alaska.gov/dph/Epi/Id/SiteAssets/Pages/HumanCoV/DHSS_LTCF_COVID19_Guidance_20200311.pdf
- Direct link to Alaska DHSS COVID-19 website: coronavirus.alaska.gov, with link to Specific Groups page with section for High Risk Populations: <http://dhss.alaska.gov/dph/Epi/Id/Pages/COVID-19/populations.aspx>

The Governor's March 10, 2020 press release regarding recommendations related to high-risk groups can be found here: [State Urges Alaskans to Follow New Health Guidance in Anticipation of COVID-19 Cases](#), with a link to the accompanying [official State Health Alert](#).

Information will also be relayed via the DHSS Facebook link: www.facebook.com/alaska.dhss/ and the DHSS Twitter link: twitter.com/Alaska_DHSS

Lanny Mommsen, MPH | Research Analyst III
State of Alaska | Governor's Council on Disabilities and Special Education
550 W 7th Ave, Suite 1230 | Anchorage, Alaska 99503
This is Dena'ina ehtena
Direct 907.269-8992 | Lanny.Mommsen@alaska.gov

EXHIBIT 4
Complaint
Page 7 of 15

Exhibit A
Page 236 of 270

From: Karl Drucks
To: Greenfield, Julia A (HSS)
Cc: Skitt, Tricia L (HSS); Baxter, Craig S (HSS)
Subject: RE: FCC Alert - Preserving PPE for Healthcare Workers
Date: Thursday, March 26, 2020 8:51:12 AM

Julia

Understood. I am hearing different responses from various state licensing agencies in the lower 48 and Hawaii, so I wasn't sure where Alaska stood on this topic as of this week.

I know our staff are pretty concerned about all of this, as we all are, but many staff expressed specific concern about the risks associated with bringing in new residents and them not exhibiting signs at the time of assessment.

I appreciate the quick response last night. I will discuss with the team on site and move forward.

Thanks for your time

Karl

Karl Drucks
(503) 222-6868 | karl@psliving.com | Let's Connect
1673 F SW Montgomery Dr | Portland, OR 97201



From: Greenfield, Julia A (HSS) <julia.greenfield@alaska.gov>
Sent: Wednesday, March 25, 2020 5:59 PM
To: Karl Drucks <karl@psliving.com>
Cc: Skitt, Tricia L (HSS) <tricia.skitt@alaska.gov>; Baxter, Craig S (HSS) <craig.baxter@alaska.gov>
Subject: RE: FCC Alert - Preserving PPE for Healthcare Workers

Hi Karl,

Yes, you may take new admissions, with appropriate safety measures in place, including screening incoming residents. Please see attached for the latest guidelines related to assisted living homes.

Please feel free to call me if you would like to discuss further.

Kind Regards,

Julia Greenfield

Community Care Licensing Specialist I

EXHIBIT 4
Complaint
Page 8 of 15

Exhibit A
Page 237 of 270

State of Alaska: DHSS
Residential Licensing
4501 Business Park Blvd.
Building 1
Anchorage, AK 99503
Phone: (907)269-3642
Cell: (907) 717-4843
e-mail: julia.greenfield@alaska.gov
Fax: (907) 269-3622 Attention: Julia Greenfield

CONFIDENTIALITY NOTICE: This electronic mail message may contain confidential and/or privileged information. This message, including any attachments, is intended solely for the use of the individual or entity named above. If the reader of this e-mail message is not the intended recipient, you are hereby notified that any review, disclosure, copying or distribution of this communication is expressly prohibited. If you are not the Intended recipient, please immediately notify the sender by reply e-mail and delete any of the original message.

From: Karl Drucks [<mailto:karl@psliving.com>]
Sent: Wednesday, March 25, 2020 4:43 PM
To: Greenfield, Julia A (HSS) <julia.greenfield@alaska.gov>
Subject: RE: FCC Alert - Preserving PPE for Healthcare Workers

Julia

Hope you are doing well.

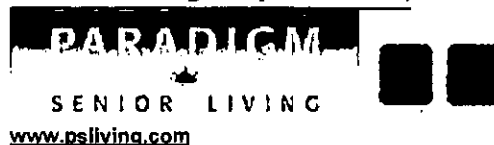
I wanted to get some clarification on new admissions for assisted living.

Is the state's standpoint that we, as licensed assisted living, are allowed to take new residents in light of covid-19 and the quarantine rules?

Thank you

Karl

Karl Drucks
(503) 222-6868 | karl@psliving.com | Let's Connect
1673 F SW Montgomery Dr Portland, OR 97201



From: Greenfield, Julia A (HSS) <julia.greenfield@alaska.gov>
Sent: Friday, March 20, 2020 10:20 AM
To: Karl Drucks <karl@psliving.com>

EXHIBIT 4
Complaint
Page 9 of 15

Exhibit A
Page 238 of 270

Cc: damien baxterseniorliving.com <damien@baxterseniorliving.com>; Skitt, Tricia L (HSS) <tricia.skitt@alaska.gov>

Subject: RE: FCC Alert - Preserving PPE for Healthcare Workers

From an update today, we're being told the Department of Health and Social Services is discussing this issue and working on solutions. We will send out an update as soon as we know anything definite.

Julia Greenfield

Community Care Licensing Specialist I

State of Alaska: DHSS

Residential Licensing

4501 Business Park Blvd.

Building L

Anchorage, AK 99503

Phone: (907)269-3642

e-mail: julia.greenfield@alaska.gov

Fax: (907) 269-3622 Attention: Julia Greenfield

CONFIDENTIALITY NOTICE: This electronic mail message may contain confidential and/or privileged information. This message, including any attachments, is intended solely for the use of the individual or entity named above. If the reader of this e-mail message is not the intended recipient, you are hereby notified that any review, disclosure, copying or distribution of this communication is expressly prohibited. If you are not the intended recipient, please immediately notify the sender by reply e-mail and delete any of the original message.

From: Karl Drucks [<mailto:karl@psliving.com>]

Sent: Thursday, March 19, 2020 5:59 PM

To: Greenfield, Julia A (HSS) <julia.greenfield@alaska.gov>

Cc: damien baxterseniorliving.com <damien@baxterseniorliving.com>

Subject: FW: FCC Alert - Preserving PPE for Healthcare Workers

Julia

Have you seen the email below, regarding critical healthcare workers and our need for PPE?

Have you heard if places like our senior living community qualify us for that status? In our other locations in the lower 48, we do qualify, and are granted exemptions in places like the Bay Area; deemed "essential" workers in places where shelter in place is mandated.

We would like to get on that list if possible, to be considered for priority to receive PPE supplies.

Thank you

Karl

Karl Drucks

(503) 222-6868 | karl@psliving.com | Let's Connect

1673 F SW Montgomery Dr | Portland, OR 97201

EXHIBIT 4
Complaint
Page 10 of 15

Exhibit A
Page 239 of 270



From: Community Councils Center <info@communitycouncils.org>
Date: March 19, 2020 at 4:38:56 PM AKDT
To: wjwilcoxii@gmail.com
Subject: FCC Alert - Preserving PPE for Healthcare Workers
Reply-To: info@communitycouncils.org

Having trouble viewing this email? [Click here](#)

FCC Logo



Municipality of Anchorage
Preserving PPE for Healthcare Workers

March 19, 2020

**MAYOR SIGNS EMERGENCY ORDER
TO PRESERVE PPE
(PERSONAL PROTECTIVE**

EXHIBIT 4
Complaint
Page 11 of 15

Exhibit A
Page 240 of 270

EQUIPMENT) FOR HEALTHCARE WORKERS

Today, Mayor Ethan Berkowitz issued Emergency Order EO-02, to safeguard the supply of personal protective equipment (PPE) in Anchorage, and to make that supply available to health care workers.

PPE-including gloves, masks, gowns, and face shields-is necessary to keep healthcare workers safe from infection. Medical professionals around the country are experiencing critical supply shortages as they respond to the COVID-19 pandemic. Given the national demand for PPE and Alaska's distance from suppliers, avoiding PPE shortages in Anchorage will require stretching existing supplies as long as possible.

The order mandates that:

All dentists, veterinarians, optometrists, and ophthalmologists in the Municipality must cancel or postpone all non-urgent or non-emergency procedures, use personal protective equipment only for emergency procedures, and safeguard remaining PPE in their existing stock.

Other businesses in the Municipality, including construction companies, funeral homes, hair and nail salons, janitorial companies, oil field services, power/energy companies, and universities must safeguard personal protective equipment (PPE) in their existing stock, and use PPE only when absolutely necessary to protect their eyes, face, or hands in the performance of an essential function of their job.

Upon an order from the Mayor or Incident

EXHIBIT 4
Complaint
Page 12 of 15

Commander, those businesses must make the preserved supplies of PPE available to health care practitioners responding to COVID-19.

"There is an acute shortage of personal protective equipment that is critical to protect the safety of healthcare workers who are called upon to treat Alaskans afflicted with COVID-19. Protecting their safety is critical to maintaining the strongest possible defense and maximizing our ability to safeguard our community. I thank the affected industries for sharing their equipment and for their understanding under these highly challenging times. We are all in this together," said Mayor Berkowitz.

Personal protective equipment includes clothing and equipment worn to minimize biohazards, including latex or nitrile exam gloves, masks, medicals gowns, and face shields. The order does not apply to personal protective equipment that has no transferable use in the health care context such as hard hats, hearing protection, specialty boots, or welding shields.

Workers in all sectors should continue to take necessary safety precautions while working.

Visit www.muni.org/covid-19 for updated information about the Municipality's actions regarding COVID-19.

This communication is being sent out by the Federation of Community Councils, Inc. on behalf of the Municipality of Anchorage. The contents of the communication are the responsibility of the Municipality of Anchorage, not of the Federation of Community Councils, Inc.

Community Councils Center
www.communitycouncils.org
info@communitycouncils.org
277-1977

See what's happening on our social sites



Federation of Community Councils, 1057 West Fireweed Lane,
Suite 100, Anchorage, AK 99503

[SafeUnsubscribe™](#) wjwilcoxli@gmail.com

[Forward this email](#) | [Update Profile](#) | [About our service provider](#)

Sent by info@communitycouncils.org in collaboration with

Constant Contact



[Try email marketing for free today!](#)

EXHIBIT 4
Complaint
Page 14 of 15

Exhibit A
Page 243 of 270

IN THE DISTRICT/SUPERIOR COURT FOR THE STATE OF ALASKA

AT _____
(City or town where the court is located)

Plaintiff/Petitioner,
v.

Defendant/Respondent.

Case No. _____

**SELF-CERTIFICATION
(NO NOTARY AVAILABLE)**

[If a notary public or other person with the power to take oaths is not available to notarize a document that you are filing with the court, you may fill out this form and attach it to your document.]

As allowed by AS 09.63.020, I, (Name) Karl Drucks, certify under penalty of perjury that the following is true:

1. I am attaching this *Self-Certification* to the following attached document:

Affidavit of Karl Drucks

If the attached document is required to be served on another party, I have attached a copy of this *Self-Certification* to the document when I served it.

2. No notary public or other person with the power to take oaths is available to watch me sign because:

- ☐ I live somewhere with no available notary public or other person who can take oaths.
☒ I cannot access the courthouse or private notary for medical reasons including quarantine.
☐ Due to current covid-19 quarantine restrictions in my county, getting notary service in a timely manner is not feasible.

3. I told the truth to the best of my knowledge and belief in the attached document.

Signature: Karl Drucks

Signed on: (date) 11/30/2020 at: (city) Portland, (state) OR

Mailing Address: 1673 SW Montgomery Dr. Unit F Portland, OR 97201

Cell Phone: _____ Work Phone: 503.222.6868 ext 102

Home Phone: n/a Email*: karl@psliving.com

*☒ I authorize the court to email me court documents in this case to the email address above.

EXHIBIT 5

BANKSTON GRONNING BRECHT P.C.
Attorneys at Law
188 W. Northern Lights Blvd., Suite 1020
Anchorage, Alaska 99503
Tel. (907) 276-1711 • Fax (907) 279-5358

I, Jonie Suzuki, being first duly sworn, depose and state:

2. I am one of the two Senior Living Advisors employed by Baxter. As a Senior Living Advisor, I am responsible for marketing Baxter to the public, potential clients, providing information to potential clients, and to assisting clients with the registration and move in process once they decide to become a resident at Baxter.

4. Prior to the start of the Covid-19 pandemic in March 2020, a potential resident would usually tour a unit which was available for occupancy. If the potential resident liked the unit, and decided he or she wanted to become a resident of Baxter's facility, the potential resident would pay a deposit of \$1,900. The deposit was not refundable, prior to Covid-19, and it was held in a designated escrow account until the individual was able to move into Baxter's facility.

EXHIBIT 5
Complaint
Page 1 of 9

Exhibit A
Page 246 of 270

6. In March 2020, Baxter instituted significant restrictions to prevent the spread of Covid-19 within its facility. For several weeks in March 2020, Baxter did not admit any new residents into the facility whatsoever. At the time, I understood that Baxter was not admitting new residents into the facility in order to comply with regulations issued by the State of Alaska Department of Health and Human Services and the Center for Disease Control.

7. In late March 2020, Baxter was advised that it was able to admit new residents, but it would be permitted to admit new residents as long as it followed strict guidelines issued by the Department of Health and Human Services. These guidelines included quarantine periods for newly admitted residents, Covid-19 testing among the newly admitted residents, current residents, and staff, and temperature procedures. Similarly, since Baxter believes in adopting the best practices to keep its residents safe, Baxter adopted a policy which significantly reduced the residents' friends and families from physically accessing the facility.

8. Since March 2020, Baxter has had several potential residents, who had already paid deposits to move into the facility, but chose to postpone their move indefinitely. Both myself, and the other Senior Living Advisor, Karla Cen, are responsible for reaching out to update depositors (those who have paid a deposit and intended to move into Baxter's facility) and potential residents (those who have contacted Baxter and expressed interest about becoming a resident), to check in and to update the individuals about the status of Baxter's measures to combat the spread of Covid-19 within the facility.

9. All of the depositors and potential residents are of advanced age, and therefore, it is common for myself and Karla to have conversations by telephone more frequently than we communicate with depositors and potential residents via email. If a depositor or potential resident prefers to be contacted by email, or is assisted by a family member who prefers to be contacted via email, Karla and I do our best to accommodate this preference. However, in my experience, I engage with depositors and potential residents via telephone much more frequently than via email.

AFFIDAVIT OF JONIE SUZUKI

EXHIBIT 5
Complaint
Page 2 of 9

Page 2 of 8

10. Since March 2020, two individuals who paid deposits to Baxter declined to move into the facility altogether due to concerns regarding Covid-19 or Baxter's Covid-19 protocols. While a deposit was previously non-refundable, Baxter implemented a policy that it would refund the deposits paid by potential residents prior to the outbreak of Covid-19, in the event that they declined to move into the facility. Baxter refunded both of these deposits, and it lost the future income that these residents would have paid to Baxter. Since residency at Baxter costs a minimum of \$5,950 per month, these depositors caused Baxter to lose at least \$11,900. The total of both refunded deposits was \$3,800.

11. In March 2020, four residents had paid deposits and were ready to move into the facility. After the outbreak of Covid-19, these residents declined to move into the facility, and they instead requested to be put on Baxter's wait list, with a move in date that is delayed indefinitely. The reasons that these four residents provided was that they were concerned about Covid-19 or Baxter's Covid-19 protocols which would make it difficult for the residents to have contact with their family members. The deposits for these four residents will be held in escrow until the resident moves into the facility or until the deposit is requested to be refunded. These four deposits total \$7,600, and similarly result in a loss of future income to Baxter.

12. For every depositor who requests to delay their move in date indefinitely, as a result of Covid-19, Baxter suffers a loss of business income. Since the depositors have paid their deposit to Baxter, Baxter must keep a unit available for that depositor. Since a unit must be available for all of these depositors, Baxter must maintain four available units which it cannot rent to other prospective residents, and for which it cannot collect income from the depositor who has delayed their move in indefinitely.

13. In addition to the depositors who have requested refunds or who have delayed their move in date indefinitely, there are more than eleven prospective residents who have delayed taking any further action as a result of the Covid-19 pandemic. Many of these conversations occurred over the telephone with myself or the other Senior Living Advisor, Karla Cen. Some reasons provided by these individuals include:

AFFIDAVIT OF JONIE SUZUKI

EXHIBIT 5
Complaint
Page 3 of 9

Page 3 of 8

- Wanting to wait until Baxter allows visitors to access the facility on a regular basis, even waiting until maybe “after Covid;”

- Hoping to wait until February or March 2021, when hopefully a Covid-19 vaccine is available, so the resident’s family can visit daily and bring the resident home for Sunday dinners;

- A potential resident who instead decided to purchase a small home with in-home care, instead of moving into an assisted living facility, in light of concerns about Covid-19;

- Another resident needed to stay in Juneau, Alaska (which is 1.5 hours away by plane), and would likely need to stay in Juneau due to concerns about traveling to Seattle for medical care and quarantines required in light of Covid-19; and

- Another potential resident received Baxter’s information packet and she liked what she saw, but was electing to stay home right now as a result of Covid-19. The potential resident recommended that Baxter check in with her in six months’ time.

14. Baxter typically has hundreds of prospects, and while it can identify at least eleven cases when a prospect has decided not to proceed with Baxter specifically as a result of Covid-19, I am certain that more than eleven prospects have decided not to proceed as a result of the Covid-19 pandemic.

15. Similarly to the depositors who request a refund of their deposit, or those who delay their move in date indefinitely, the prospects who decide against becoming residents at this time due to Covid-19 cause a loss of business income to Baxter. For each prospect who declines to become a resident of Baxter, Baxter loses the income that said prospect would have paid to the facility.

16. There have been three potential residents who currently have Covid-19 or have experienced Covid-19, and none of these three residents became residents of Baxter.

17. Prior to the Covid-19 pandemic, Baxter was contacted frequently by prospective residents. Baxter was new to the Anchorage community, and it provided services that were not previously available in Anchorage, including its memory care facility

AFFIDAVIT OF JONIE SUZUKI

EXHIBIT 5
Complaint
Page 4 of 9

Page 4 of 8

and high acuity care capabilities. When compared to November 2019, inquiries in Baxter's facility have decreased by fifty percent or more.

18. In my opinion, residents and potential residents have been severely impacted by Covid-19, and this affects potential residents' interest in Baxter at this time. While Baxter provides an excellent standard of care and comfort to its residents, there have been well documented instances of abuse and neglect occurring in other assisted living facilities. In my experience, it has been common for the family members of residents and potential residents to visit the facility frequently to interact with the resident and to check on the status of care that their family member is receiving. In my experience, it is common for the family members to worry about the care their loved one will receive at Baxter. The inability for family members to visit the residents of Baxter frequently, if at all, has affected potential residents' interest in the facility.

19. Prior to the outbreak of Covid-19, potential residents were encouraged to tour model apartments, as well as all of Baxter's facilities and amenities, such as the dining room, movie theatre, indoor gym, shared communal areas for events and activities, and even have the opportunity to meet the care team, nurses and staff who would be caring for and serving prospective residents.

20. During the Covid-19 pandemic, Baxter did not always permit prospective residents to view the model apartments. Baxter invested in technology so that it was capable of providing virtual tours to interested residents; however, when considering an assisted living facility, a virtual tour is decidedly not the same thing as being able to view a model apartment in person and appreciate all of the amenities of the facility.

21. Previously, in early November 2020, Baxter is permitting potential residents to view the model one bedroom unit on the first floor. Prior to the Covid-19 pandemic, residents were permitted, and in fact, highly encouraged to view the unit that they would actually be occupying. The unit available for viewing is not intended to be occupied at this time, and it is available to be viewed because it is the closest unit to a stairwell that leads directly outside and to that unit. In order to view the unit, the viewer needs to take a Covid-19 test, provide a negative result, and certify that they have been quarantining at home

AFFIDAVIT OF JONIE SUZUKI

EXHIBIT 5
Complaint
Page 5 of 9

Page 5 of 8

since they were tested and that they follow proper hygiene protocols. The viewer needs to have their temperature taken prior to entering the facility as well as sign a contact tracing form. As a result of increased community spread in Alaska, Baxter will not allow potential residents to tour the model one-bedroom apartment at this time.

22. Baxter will allow virtual "Facetime" tours of the prospective units which are available for occupancy, but this is not the same as being able to view the unit in person and to experience all that Baxter has to offer.

23. Baxter's ability to have in person visitation between residents and family members is governed by the number of Covid-19 cases currently present in Alaska and state regulation. Understandably, Baxter cannot control how the infection spreads or mitigate the spread of infection outside of its facility, so Baxter is beholden to the management of Covid-19 undertaken by the State, the Municipality of Anchorage, and private businesses and citizens.

24. During the summer, Baxter was able to transition to Phase 2 of its mitigation strategy, which allowed the residents to enjoy in person visits with friends and family members. The residents and visitors were required to wear masks at these visits, certify that they did not have any symptoms of Covid-19, submit to a temperature scan, and use proper hand hygiene.

25. Since cases of Covid-19 have continued to rise significantly, as well as the fact that it is the start of cold and flu season, Baxter has returned to Phase 1 of its mitigation strategy. Under Phase 1, no in person visits are currently permitted, except in cases of compassion visits. When a compassion visit is required, the visitor must have a negative Covid-19 test and they must certify that they have not had any contact with symptomatic individuals. During Phase 1, Baxter encourages its residents to have window visits in the foyer, but these visits are not the same as being able to have physical and frequent contact with a resident's friends and family.

26. Prior to the outbreak of Covid-19, Baxter prided itself on having an engaging and fun community for its residents. Baxter has a resident chef who prepares restaurant quality meals for residents and their guests, who were welcome to enjoy meals with the

AFFIDAVIT OF JONIE SUZUKI

EXHIBIT 5
Complaint
Page 6 of 9

Page 6 of 8

BANKSTON GRONNING BRECHT P.C.

Attorneys at Law

188 W. Northern Lights Blvd., Suite 1020
Anchorage, Alaska 99503

Tel. (907) 276-1711 - Fax (907) 279-5358

residents, prior to the outbreak of Covid-19. Baxter offered many options for residents to engage in the community, and it offered off campus day trips to local places, such as the Anchorage Botanical Gardens or festivities and activities at Ship Creek, to outings at Girdwood and greater Mat-Su Valley. In addition, Baxter provided various entertainment options for residents at its facility including live music with happy hour, tea parties, pro sports game watching and activity days, themed dress-up days, a multitude of group and individual activities, crafts and games such as dance parties, bingo games, poker and card nights to scheduled yoga and light workouts and afternoon walks, to keep the residents physically and cognitively active and emotionally engaged.

27. Unfortunately, since Baxter employs the best practices to mitigate the potential spread of Covid-19 within its facility, the residents' ability to access these amenities has been severely restricted. During the pandemic, residents were required to eat their meals in their apartments, and the meals were delivered on meal trays by masked employees. When the residents leave their rooms, they must be masked, and they must make their best efforts to maintain a safe distance.

28. While Baxter has done its best to create safe and fun activities for its residents, it is without question that the residents' ability to recreate at Baxter has been significantly impacted by the Covid-19 pandemic. In my opinion, this unquestionably affects prospective residents' interest in becoming a Baxter resident at this time since said resident would not be able to easily recreate with other residents, nor could said new resident have in person contact with their family, unless a compassion visit was needed. Such situational factors have clearly caused Baxter to suffer a loss of business income.

DATED at Anchorage, Alaska, this _____ day of November, 2020.



JONIE SUZUKI

SUBSCRIBED AND SWORN to before me this _____ day of November, 2020, at Anchorage, Alaska.

AFFIDAVIT OF JONIE SUZUKI

EXHIBIT 5
Complaint
Page 7 of 9

Page 7 of 8

BANKSTON GRONNING BRECHT P.C.
Attorneys at Law
188 W. Northern Lights Blvd., Suite 1020
Anchorage, Alaska 99503
Tel. (907) 276-1711 - Fax (907) 279-5358

[Seal]

W4560\21\PLEADINGS\AFFSuzuki [Nov 2020]

See attached Self-Certification

NOTARY PUBLIC in and for Alaska

My Commission Expires: _____

AFFIDAVIT OF JONIE SUZUKI

EXHIBIT 5
Complaint
Page 8 of 9

Page 8 of 8

Exhibit A
Page 253 of 270

IN THE DISTRICT/SUPERIOR COURT FOR THE STATE OF ALASKA

AT _____
(City or town where the court is located)

Plaintiff/Petitioner,
v.

Defendant/Respondent.

Case No. _____

**SELF-CERTIFICATION
(NO NOTARY AVAILABLE)**

[If a notary public or other person with the power to take oaths is not available to notarize a document that you are filing with the court, you may fill out this form and attach it to your document.]

As allowed by AS 09.63.020, I, (Name) Jonie Suzuki, certify under penalty of perjury that the following is true:

1. I am attaching this *Self-Certification* to the following attached document:

Affidavit of Jonie Suzuki

If the attached document is required to be served on another party, I have attached a copy of this *Self-Certification* to the document when I served it.

2. No notary public or other person with the power to take oaths is available to watch me sign because:

- ☒ I live somewhere with no available notary public or other person who can take oaths.
☐ I cannot access the courthouse or private notary for medical reasons including quarantine.

☐

3. I told the truth to the best of my knowledge and belief in the attached document.

Signature: _____

Signed on: (date) 12/11/2020 at: (city) Anchorage, (state) AK

Mailing Address: 4631 Shelikof Street, Anchorage AK 99507

Cell Phone: 7073154676

Work Phone: _____

Home Phone: _____

Email*: joniesuzuki@gmail.com

*☒ I authorize the court to email me court documents in this case to the email address above.

TF-835 (3/20)(cs)
SELF-CERTIFICATION (NO NOTARY AVAILABLE)

EXHIBIT 5 AS 09.63.020
Complaint
Page 9 of 9

**Exhibit A
Page 254 of 270**

BANKSTON GRONING BRECHT P.C.
Attorneys at Law
188 W. Northern Lights Blvd., Suite 1020
Anchorage, Alaska 99503
Tel. (907) 276-1711 - Fax (907) 279-5358

AFFIDAVIT OF KARLA CEN

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

I, Karla Cen, being first duly sworn, depose and state:

1. My name is Karla Cen. I am over the age of 18, a resident of the State of Alaska, and I am currently employed at Baxter Senior Living ("Baxter"), an assisted living facility in Anchorage, Alaska.

2. I am one of the two Senior Living Advisors employed by Baxter. As a Senior Living Advisor, I am responsible for marketing Baxter to potential clients, providing information to potential clients, and to assisting clients with the registration and move in process once they decide to become a resident at Baxter. I work closely with the other Senior Living Advisor, Joanie Suzuki.

3. I began working in my role as an Administrative Assistant in August 2019, and Senior Living Advisor in June 2020. Since I began working at Baxter Senior Living, I have received over 28 deposits and assisted approximately 22 individuals in transitioning to residency within Baxter's facility in Anchorage. I assisted in sales and marketing and also provided tours to prospective residents both as an Administrative Assistance and a Senior Living Advisor.

4. Prior to the start of the Covid-19 pandemic in March 2020, a potential resident would usually tour a unit which was available for occupancy. If the potential resident liked the unit, and decided he or she wanted to become a resident of Baxter's facility, the potential resident would pay a deposit of \$1,900. The deposit was not refundable, prior to Covid-19, and it was held in a designated escrow account until the individual was able to move into Baxter's facility.

AFFIDAVIT OF KARLA CEN

EXHIBIT 6
Complaint
Page 1 of 13

Page 1 of 6

Exhibit A
Page 255 of 270

5. Prior to the start of the Covid-19 pandemic in March 2020, Baxter's potential residents greatly enjoyed touring Baxter's facility. Baxter provides many amenities to its residents including arts and crafts, an onsite movie theatre, and gourmet dining. When a potential resident toured the facility, they toured the available unit that they were interested in, and the potential resident and their family were able to tour Baxter's entire facility. This was a very engaging process, and each tour took approximately one hour. I was able to engage with both the potential resident and their friends and family who accompanied that resident to view the facility.

6. It is a process to transition to living in an assisted care facility. It is common for the resident and family members to raise some concerns to me during the intake or consultation process; however, when I was able to take potential residents on in person tours, I was able to address and assuage these fears in a comforting and personal manner. Unfortunately, as a result of Covid-19 we are no longer able to offer in person tours of the facility.

7. As a result of Covid-19, for approximately four out of the last nine months, we were only able to show potential residents a model one-bedroom unit on the first floor of the facility. In order to view this model unit, the resident and their family had to have a negative Covid-19 test, isolate after being tested, follow proper hand hygiene protocols, and have their temperature taken prior to entering the facility. As a result of increased community spread, Baxter is not able to offer any in person tours at this time. Many prospective clients do not want to consent to a Zoom tour and instead indicate that they would like to know when they can come for a live tour.

8. While the resident and their family were able to view the model one-bedroom unit, they are not allowed to tour Baxter's facility, generally. Baxter offers three levels of care: assisted living, memory care, and high-acuity care. While all of the respective one-bedroom apartments are the same square footage, they vary in the sense that some have

AFFIDAVIT OF KARLA CEN

EXHIBIT 6
Complaint
Page 2 of 13

Page 2 of 6

open as opposed to closed floor plans. Therefore, while the model one-bedroom apartment is representative of certain rooms at Baxter, it is not identical to each available unit.

9. Prior to the outbreak of Covid-19, Baxter was a vibrant community for its residents. Baxter hosted daily movie showings in its movie theatre with 30 people in attendance. Guests freely interacted with each other and their families. They shared meals together at a communal table. Baxter brought in artists and musicians to perform for the facility, and it took the residents on day trips around Anchorage.

10. Unfortunately, in order to protect the residents of the facility, the residents must follow social distancing protocols when they are outside of their rooms. This requires the residents to be masked and maintain appropriate distances from other individuals who do not reside with the resident. This requires residents to eat at separate tables. While Baxter is still able to offer amenities such as arts and crafts and movies, the maximum capacity for these amenities has been greatly reduced. For example, prior to Covid-19 it was common to have movie showings with 30 residents in attendance. These gatherings are now limited to six or so residents, so that the residents can maintain proper distances between them.

11. Unfortunately, in early November 2020, several residents of the facility tested positive for Covid-19. As a result of the positive tests, the facility went into immediate quarantine for the next ten days or so, depending on the outcome of future testing. When the residents are in quarantine, they cannot leave their rooms, except for medical appointments. The residents' meals are delivered on meal trays which are sterilized after each use, and the residents do not gather for any amenities or activities during the quarantine period.

12. In my opinion, Covid-19 has definitely and detrimentally affected Baxter's ability to move new residents into the facility. Prior to the outbreak of Covid-19, I conducted several tours for potential residents each week. Baxter provides a service of care

AFFIDAVIT OF KARLA CEN

EXHIBIT 6
Complaint
Page 3 of 13

Page 3 of 6

and comfort not previously available in Anchorage. Interest in Baxter has significantly decreased as a result of the Covid-19 pandemic and established protocols.

13. While I am able to accommodate a Zoom tour of the facility for potential residents, it is not the same thing as being able to tour the facility with one's family. When I conduct a Zoom tour of the facility, the tours are always quiet. The interaction is less effective than the personal tours that I was able to provide prior to outbreak of Covid-19.

14. Similarly, there is a huge decrease in the amount of face to face time that I get to spend with each potential resident in their family. Deciding to move a family member into assisted living is a profoundly personal decision, and, in my opinion, it is helpful to have an established relationship with face to face contact to facilitate the transition. While the contractual documents are signed in person, the steps that lead to the execution of the contract documents are conducted remotely.

15. As a result of the age of the potential residents and their children, much of my contact occurs over the phone. Our residents, and their family members, are generally not as comfortable using email or Zoom. The addition of these technological elements complicates and frustrates our ability to establish relationships with potential residents and their families, which I was previously able to do.

16. In addition, we have had potential residents indicate that they are no longer interested in pursuing residency at Baxter as a result of the Covid-19 pandemic. While the majority of these interactions occur over the phone, I have attached two emails to this affidavit, which are true and correct copies of the emails that I have received from two potential residents' family members. In conjunction with the telephone conversations that I have previously had with these individuals, it is my opinion that their decision not to proceed with Baxter at this time is based on the Covid-19 pandemic.

17. As recently as this week, Baxter's ability to assist new residents in transitioning to the facility continues to be affected by Covid-19. On Monday, November 2,

AFFIDAVIT OF KARLA CEN

EXHIBIT 6
Complaint
Page 4 of 13

Page 4 of 6

2020, I had three individuals who wanted to place a deposit to move into Baxter's facility. Upon information and belief, Jonie, the other Senior Living Advisor, also had another potential resident who wanted to place a deposit on November 2, 2020.

18. Since the facility was in quarantine, and it is currently testing its residents and staff for Covid-19, Baxter was not aware when it will be able to admit new residents to the facility. One of the individuals who was interested in paying a deposit was discharged from the hospital on Monday, November 9, 2020. However, Baxter could not guarantee that it would be able to admit new residents on November 9, 2020, and therefore the potential resident declined to post a deposit and is waiting to see how things proceed within Baxter's facility and when it will be able to admit new residents. Ultimately, the new resident was able to be admitted on November 10, 2020; however, the uncertainty made the move in process much more hectic for the resident and family.

19. Even prior to the Covid-19 pandemic, having four potential residents want to pay deposits on a single day was not common. Having four individuals willing to pay deposits on a single day is incredibly rare in light of the decreased interest in Baxter in light of the Covid-19 pandemic. However, this inability to predict whether or not new residents, who desire to move into Baxter, can be admitted, as a result of Covid-19 is wholly demonstrative of the business loss and uncertainty is wholly demonstrative of the businesses income Baxter has suffered as a result of Covid-19.

20. I have reviewed the affidavit of the other Senior Living Advisor, Jonie Suzuki, and I agree that the statements contained in that affidavit are a true and accurate depiction of how Covid-19 has affected Baxter.

DATED at Anchorage, Alaska, this _____ day of November, 2020.

KARLA CEN

AFFIDAVIT OF KARLA CEN

EXHIBIT 6
Complaint
Page 5 of 13

Page 5 of 6

SUBSCRIBED AND SWORN to before me this _____ day of November, 2020, at
Anchorage, Alaska.

[Seal]

NOTARY PUBLIC in and for Alaska
My Commission Expires: _____

BANKSTON GRONNING BRECHT P.C.
Attorneys at Law
188 W. Northern Lights Blvd., Suite 1020
Anchorage, Alaska 99503
Tel. (907) 276-1711 - Fax (907) 279-5358

W4560\21\PLEADINGS\AFFcen1

AFFIDAVIT OF KARLA CEN

EXHIBIT 6
Complaint
Page 6 of 13

Page 6 of 6

Exhibit A
Page 260 of 270

12/11/2020

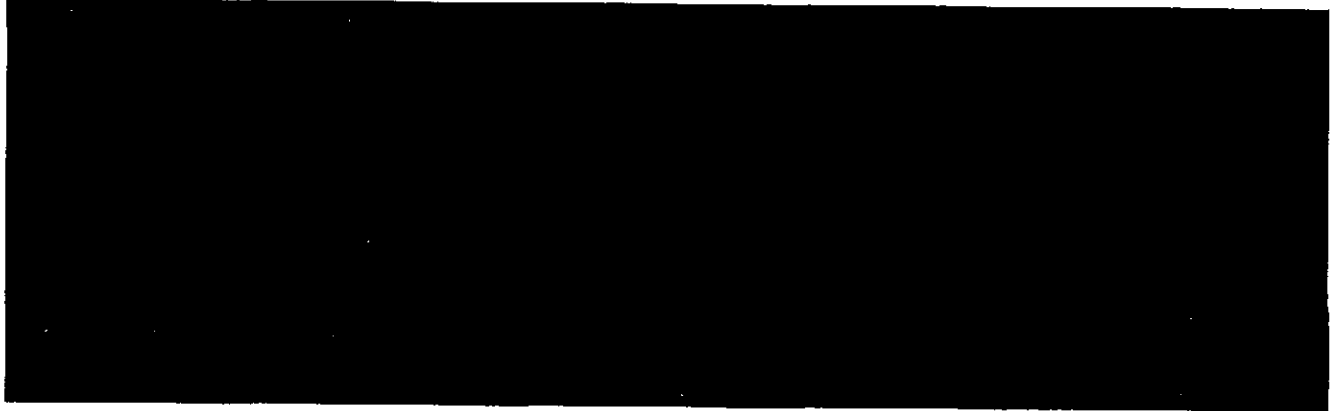
Bankston Gronning Brecht, P.C. Mail - FW: Baxter Delays due to COVID



Bankston Gronning Brecht
Attorneys at Law

Suzanne Adler <sadler@bgbalaska.com>

FW: Baxter Delays due to COVID



From: Karla Cen <karlac@baxterseniorliving.com>
Sent: Tuesday, October 27, 2020 2:32 PM
To: Jonie Suzuki <jsuzuki@baxterseniorliving.com>
Subject: Delays due to COVID

Karla Cen

Senior Living Advisor

Baxter Senior Living

907-865-3516

From: Scott Sagraves <sales@nwcarpetcompany.net>
Sent: Tuesday, October 27, 2020 11:52 AM
To: Karla Cen <karlac@baxterseniorliving.com>
Subject: Re: Hello from Baxter Senior Living!

Hello Karla,

Thank you for keeping in touch. We're just gathering information for our records incase we decide to make a change. Everyone seems pretty locked down so I don't see us making a change right now.

EXHIBIT 6
Complaint
Page 7 of 13

<https://mail.google.com/mail/u/1?ik=c142c3e3b5&view=pt&search=all&permmsgid=msg-f%3A1681928659130079278&siml=msg-f%3A16819286591...> 1/2

Exhibit A
Page 261 of 270

12/11/2020

Bankston Gronning Brecht, P.C. Mail - FW: Baxter Delays due to COVID

We have a new evaluation coming up for him in the beginning of November.

Regards,

Scott Sagraves

Owner

Northwest Carpet Company

688-1114

From: Karla Cen <karlac@baxterseniorliving.com>
Sent: Tuesday, October 27, 2020 11:48 AM
To: Scott Sagraves <sales@nwcarpetcompany.net>
Subject: Hello from Baxter Senior Living!

Hello Scott!

I just wanted to follow up on your inquiry for resources and information! Is your dad still interested in one of our 1-bedroom apartments in Assisted Living? Let me know so that I can reach out with more specifics about what is included! Also, I can set up a Zoom tour if you're interested!

I hope your whole family is doing well and staying safe these days!

Take Care,

Karla Cen

Senior Living Advisor

Baxter Senior Living

907-865-3516

EXHIBIT 6
Complaint
Page 8 of 13

<https://mail.google.com/mail/u/1?ik=c142c3e3b5&view=pt&search=all&permmsgid=msg-f%3A1681928659130079278&simpl=msg-f%3A16819286591...>

2/2

Exhibit A
Page 262 of 270

12/11/2020

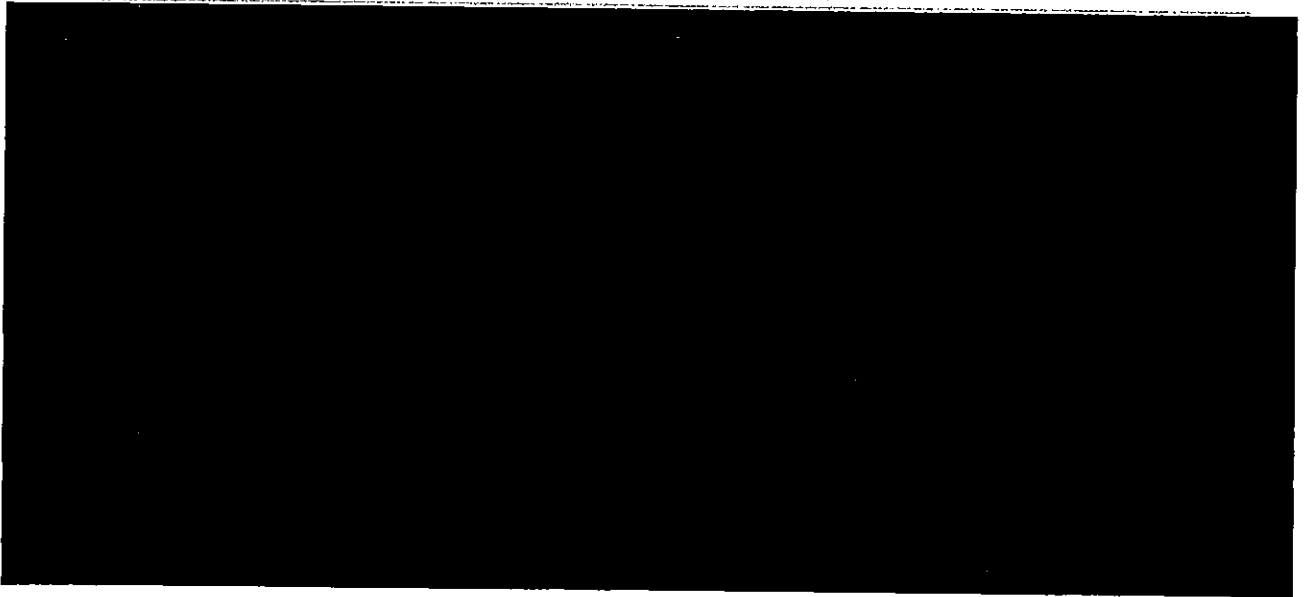
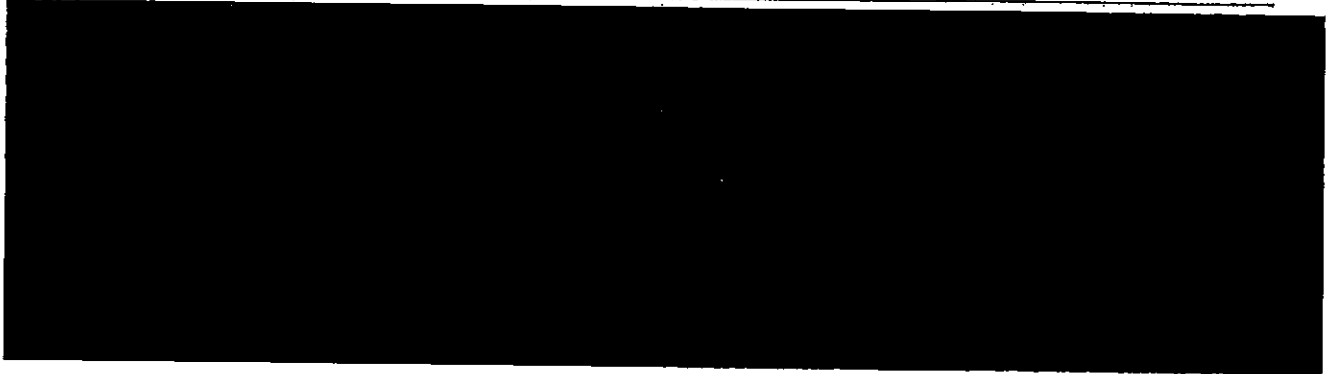
Bankston Gronning Brecht, P.C. Mail - FW: Baxter COVID restrictions & a depositor who chose not to move in



Bankston Gronning Brecht
A Professional Corporation

Suzanne Adler <sadler@bgbalaska.com>

FW: Baxter COVID restrictions & a depositor who chose not to move in



From: Robby Bear <rbear1959@gmail.com>
Sent: Thursday, September 3, 2020 7:02 PM
To: Karla Cen <kariac@baxterseniorliving.com>
Subject: Re: Baxter Senior Living: Update!

Hi Karla,

I am so sorry to hear this, but appreciate that you and the Baxter Staff are being transparent, proactive and communicative. Thank you for keeping us in the loop!

Take care and be safe,

<https://mail.google.com/mail/u/1/?ik=c142c3e3b5&view=pt&search=all&permmsgid=msg-f%3A1681928647046222559&simpl=msg-f%3A16819286470...> 1/4

EXHIBIT 6
Complaint
Page 9 of 13

Exhibit A
Page 263 of 270

12/11/2020

Bankston Gronning Brecht, P.C. Mail - FW: Baxter COVID restrictions & a depositor who chose not to move in

:-) Robby

On Thu, Sep 3, 2020 at 5:22 PM Karla Cen <karlac@baxterseniorliving.com> wrote:



September 3, 2020

Updates:

- **A thermal scanner has been installed**
- **Communal activities have been canceled**
- **All visitors and guests are restricted from entering or leaving the community, including outdoor visits**
- **Activities Coordinators are now working with residents one-on-one**
- **9/8/2020: All staff and residents will be re-tested**

Recap:

August 29, 2020 - Baxter Senior Living has gone nearly 6 months with no Covid19 confirmed cases for residents and staff. Unfortunately, Baxter Senior Living now has 1 confirmed case with a beloved resident. We are awaiting confirmation from our local public health authorities regarding any potential additional Covid-19 testing of staff and residents.

Staff and residents have been regularly tested throughout this pandemic, and will again be tested on Sunday morning, August 30. Recent testing of residents and staff were negative. As this is the first positive case of COVID-19 identified with a resident, testing of all residents and staff will again be conducted as part of recommendations by the Alaska Health Department, Section of Epidemiology as well as CDC guidelines. The contact investigation for the first resident identified as a presumptive case of the new coronavirus, COVID-19, was initiated as soon as the person was identified for testing. Contact was made with the Alaska Health Department, as well as contact tracing with potentially infected staff that had interaction with said resident.

EXHIBIT 6
Complaint
Page 10 of 13

<https://mail.google.com/mail/u/1/?ik=c142c3e3b5&view=pt&search=all&permmsgid=msg-f%3A1681928647046222569&simpl=msg-f%3A16819286470...> 2/4

Exhibit A
Page 264 of 270

Baxter Senior Living immediately implemented strict protocols at this beginning of this pandemic, including enhanced cleaning measures to protect our vulnerable residents and amazing staff. In addition to cleaning and sanitizing high touch surfaces, Baxter Senior Living restricted entry into the community by families, vendors, and visitors, continued enhanced cleaning frequency, screening upon entry, and limiting communal activities amongst residents.

Our first case involves an elder in a shared apartment (roommate tested negative); said residents were immediately quarantined in a their private apartment and staff entry has been severely limited, with consistent PPE being provided and worn by staff when needing to provide assistance. *The resident is not exhibiting symptoms currently but will be transferred to the hospital if the situation changes.* We wish our resident all of the best in his recovery process.

Baxter Senior Living consistently takes great pride in the wonderful care we provide to our residents, so it causes us great concern when Covid19 makes its way into our Community. *We appreciate all families, friends, and vendors' support in this time, and we will continue following CDC guidelines and protocols:* speaking daily with the epidemiologist and health department for updates and techniques to maintain a healthy living environment for our vulnerable residents.

The following steps will continue to be taken in our efforts to limit contact as much as is feasible:

- The resident that tested positive was placed into isolation and will have, as much as possible, dedicated staffing.
- Temperature checks, mask wearing verification, and brief questionnaire is still being done each time staff enter the community
- Any employees who test positive moving forward will be asked to self-isolate at home.
- Baxter Senior Living will continually perform thorough daily sanitizing of all resident apartments and all common areas with high touch surfaces.
- Repeat testing will be done once a week until further notice.

It's our goal to reduce the number of residents, staff, families, and visitors in the Community of Anchorage to help mitigate the spread to others. Alaska Health Department recommends that any person who develops fever or respiratory symptoms (e.g., cough, shortness of breath) should stay home away from other people and seek health advice by phone from a healthcare provider. We appreciate everyone's continued support, and we recognize the heroes among us who work to provide excellent care to our residents.

Updates will be shared as testing continues and protocols are updated.

For questions, please email karl@psliving.com, or call the general manager on site, Keith Rayl at 907-891-9696.

Karla Cen

Senior Living Advisor

Baxter Senior Living

EXHIBIT 6

Complaint

Page 11 of 13

<https://mail.google.com/mail/u/1/?ik=c142c3e3b5&view=pt&search=all&permmsgid=msg-f%3A1681928647046222669&simpl=msg-f%3A16819286470...> 3/4

Exhibit A
Page 265 of 270

IN THE DISTRICT/SUPERIOR COURT FOR THE STATE OF ALASKA

AT _____
(City or town where the court is located)

Plaintiff/Petitioner,
v.

Defendant/Respondent.

Case No. _____

**SELF-CERTIFICATION
(NO NOTARY AVAILABLE)**

[If a notary public or other person with the power to take oaths is not available to notarize a document that you are filing with the court, you may fill out this form and attach it to your document.]

As allowed by AS 09.63.020, I, (Name) Karla Cen, certify under penalty of perjury that the following is true:

1. I am attaching this *Self-Certification* to the following attached document:

Affidavit of Karla Cen

If the attached document is required to be served on another party, I have attached a copy of this *Self-Certification* to the document when I served it.

2. No notary public or other person with the power to take oaths is available to watch me sign because:

- ☐ I live somewhere with no available notary public or other person who can take oaths.
☐ I cannot access the courthouse or private notary for medical reasons including quarantine.

☐ _____

3. I told the truth to the best of my knowledge and belief in the attached document.

Signature: Karla N. Cen

Signed on: (date) 12/08/2020 at: (city) Anchorage, (state) AK

Mailing Address: 4280 Baxter Rd

Cell Phone: 570-606-6702 Work Phone: 907-865-3516

Home Phone: _____ Email*: karlac@baxterseniorliving.com

*☒ I authorize the court to email me court documents in this case to the email address above.

TF-835 (3/20)(cs)
SELF-CERTIFICATION (NO NOTARY AVAILABLE)

EXHIBIT 6 AS 09.63.020
Complaint
Page 13 of 13

Exhibit A
Page 266 of 270

NOTICE OF CONDITIONED RENEWAL
(Alaska)

ME AND
DRESS
INSURANCE
MEANY

Zurich American Insurance Company
1798 Zurich Way
Bethel, AK 99506

ME AND
DRESS
INSURED

BAXTER SENIOR LIVING, LLC
PO BOX 80631
ANCHORAGE, AK 99509

KIND OF POLICY: Package Policy	
POLICY/APPLICATION/BINDER NO.: PRA-9551494-00 Typist: LK	
EFFECTIVE DATE OF CONDITIONED RENEWAL: 09/15/2020 12:01 AM (DATE) HOUR/STANDARD TIME AT THE ADDRESS OF THE INSURER	
DATE OF MAILING: 7/16/2020	
NAME AND ADDRESS OF PRODUCER: MARSH & MCLENNAN AGENCY LLC PO BOX 107502 ANCHORAGE, AK 99510-7502	

(Applicable item marked "X")

idistohed
reval

☒ You are hereby notified in accordance with the terms and conditions of the above mentioned policy, and in accordance with law, that the above mentioned policy, which will expire effective at and from the hour and date mentioned above, will not be renewed; however, the renewal will be conditioned on an increase in policy premium and/or a material restriction or reduction in coverage as described in this notice.

The Property Healthcare Industry Coverage form (PPP-0409) will be changed as follows: The form will be removed effective on the date shown on this notice. Please contact your Agent if you have questions.

See the "Important Notices" section for other information that may apply.

atum
Jestment

☐ Unearned premium will be returned to you in accordance with the terms of the policy.

☐ Enclosed is \$ _____

☐ Other _____

orient
ce

☐ Reason(s) for conditioned renewal (reason(s) stated only if this item is marked):

- ☐ **Premium Increase Review:** Your personal automobile policy has been offered to be renewed upon the condition of a premium increase. If you feel you have been aggrieved by the application of our rating system you may request in writing to review the manner in which the rating system has been applied in connection with your insurance. If we fail to grant or reject your request within 30 days after it is made, you may appeal to the Director of Insurance, Division of Insurance, Department of Commerce, Community and Economic Development, P.O. Box 110805, Juneau, Alaska 99811-0805.
- ☐ **Exceptions to Adverse Actions due to Credit Information:** You are hereby notified that, although this Company is taking adverse action against you based in whole or in part on your credit history or insurance score, reasonable exceptions to this adverse action are available under Alaska Law. These exceptions relate to extraordinary life circumstances and include, but are not limited to, the following: a catastrophe; serious illness or injury; death of a spouse; child or parent; divorce or involuntary interruption of spousal support payments; identity theft; loss of employment for 3 months or more as a result of involuntary termination; or military overseas deployment. If you believe an extraordinary circumstance has impacted your credit and you would like to request an exception from the Company, please contact:

(Name, address, telephone, email or other appropriate contact information)

For a request for exception to be considered by the Company, you must submit your request to the Company not later than 60 days after receiving this notice. If you submit a request for exception, the Company may require you to provide (1) reasonable, independently verifiable written documentation of your extraordinary life circumstances and (2) a demonstration of how the circumstances had a direct and meaningful effect on your credit information.

- ☐ **Consumer Report:** In compliance with the Fair Credit Reporting Act (FCRA), as amended, you are hereby informed that the action taken above is being taken wholly or partly because of information contained in a consumer report from the following consumer reporting agency:
- (Name) _____ (Phone Number) _____
- (Address) _____
- Please see additional information for a disclosure of your rights under this federal law.

EXHIBIT 7
Complaint
Page 1 of 2

**NOTICE OF CONDITIONED RENEWAL
(Alaska)**

NAME AND ADDRESS OF INSURANCE COMPANY: Zurich American Insurance Company
1999 Zurich Way
Schlaumburg IL 60196-1068

NAME AND ADDRESS OF INSURED: BAXTER SENIOR LIVING LLC
PO BOX 80834
ANCHORAGE AK 99502

KIND OF POLICY: Package Policy	
POLICY/APPLICATION/BINDER NO.: PRA-8651494-00 Type: LK	
EFFECTIVE DATE OF CONDITIONED RENEWAL: 09/15/2020 12:01 AM <small>(DATE) (MONTH, DAY AND TIME AT THE ADDRESS OF THE INSURED)</small>	
DATE OF MAILING: 7/16/2020	
NAME AND ADDRESS OF PRODUCER: MARSH & MCLENNAN AGENCY LLC PO BOX 107502 ANCHORAGE AK 99510-7502	

Additional Information regarding your rights under the federal Fair Credit Reporting Act (FCRA).

Pursuant to the FCRA, you are informed that:

The consumer reporting agency identified on this form did not make any decisions regarding the stated insurance policy. Therefore, the consumer reporting agency would not be able to provide you with the specific reasons why the insurance company is taking the present action.

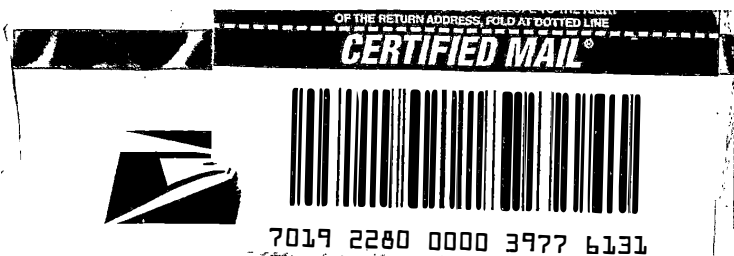
You have the right to obtain within 60 days of the receipt of this notice a free copy of your consumer report from the consumer reporting agency which has been identified on this form.

You have the right to dispute inaccurate information by contacting the consumer reporting agency directly. Once you have directly notified the consumer reporting agency of your dispute, the agency must, within a reasonable period of time, reinvestigate and record the current status of the disputed information. If, after reinvestigation, such information is found to be inaccurate or unverifiable, such information must be promptly deleted from your records. If the reinvestigation does not resolve the dispute, you may file a brief statement setting forth the nature of the dispute with the consumer reporting agency. Your filed statement will then be included or summarized in any subsequent consumer report containing the information in question.

For complete information regarding the FCRA, please refer to The Code of the Laws of the United States of America, Title 15, Chapter 41, Subchapter III, (15 U.S.C. §1681 et seq.).

Debra B. Lindgren

AUTHORIZED REPRESENTATIVE



FL

ONE RATE ■ ANY WEIGHT

- ☐ Expected delivery date specified for domestic use.
- ☐ Most domestic shipments include up to \$50 of insurance (restrictions apply).*
- ☐ USPS Tracking® included for domestic and many international destinations.
- ☐ Limited international insurance.**
- ☐ When used internationally, a customs declaration form is required.

*Insurance does not cover certain items. For details regarding claims exclusions see the Domestic Mail Manual at <http://pe.usps.com>.

** See International Mail Manual at <http://pe.usps.com> for availability and limitations of coverage.

To schedule free Package Pickup,
scan the QR code.



USPS.COM/PICKUP




P

Click-N-Ship®	
P	usps.com 9405 5036 9930 0156 6274 64 0000 0000 0049 9811 \$9.65 US POSTAGE Padded FR Env
	U.S. POSTAGE PAID Click-N-Ship®
02/04/2022	Mailed from 99501
PRIORITY MAIL 3-DAY™	
SUZANNE A. ADLER BANKSTON GRONNING BRECHT PC 1127 W 7TH AVE STE 200 ANCHORAGE AK 99501-3301	
Expected Delivery Date: 02/10/22 Ref#: W4560-21 0006	
RECEIVED FEB 07 2022 SOA-DCCED DIVISION OF INSURANCE JUNEAU OFFICE	
SHIP TO: ALASKA DIVISION OF INSURANCE PO BOX 110805 JUNEAU AK 99811-0805	
USPS TRACKING #	
9405 5036 9930 0156 6274 64	
Electronic Rate Approved #038555749	

Cut on dotted line



FIRST CLASS



Case 3:22-cv-00044-SLG Document 2-1 Filed 03/04/22 Page 270 of 270